

House File 683

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HOUSE FILE 683

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AN ACT

RELATING TO ECONOMIC DEVELOPMENT, FINANCIAL, TAXATION, AND
REGULATORY MATTERS, MAKING AND REVISING APPROPRIATIONS,
MODIFYING PENALTIES, PROVIDING A FEE, AND INCLUDING
EFFECTIVE, APPLICABILITY, AND RETROACTIVE APPLICABILITY
PROVISIONS.

1 10 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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DIVISION I

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STATE EMPLOYEE SALARIES

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Section 1. 2003 Iowa Acts, Senate File 458, section 48,
unnumbered paragraphs 1 and 2, if enacted, are amended to read
as follows:

There is appropriated from the general fund of the state to
the salary adjustment fund for distribution by the department
of management to the various state departments, boards,
commissions, councils, and agencies, and to the state board of
regents for those persons employed at the state school for the
deaf and the Iowa braille and sight saving school, for the
fiscal year beginning July 1, 2003, and ending June 30, 2004,
the amount of ~~\$20,000,000~~ \$30,000,000, or so much thereof as
may be necessary, to fully fund annual pay adjustments,
expense reimbursements, and related benefits implemented
pursuant to the following:

Of the amount appropriated in this section, ~~\$2,668,000~~
\$2,818,000 shall be allocated to the judicial branch for the
purpose of funding annual pay adjustments, expense
reimbursements, and related benefits implemented for judicial
branch employees. In distributing the remainder of the amount
appropriated in this section, the department of management, in
order to address essential public protection functions and
recognizing the availability of funds appropriated in other

Acts of the general assembly and other sources, shall give
priority, in descending order, to the department of
corrections, department of human services, and department of
public safety, and then to the remaining state departments,
boards, commissions, councils, and agencies to which the
appropriation is applicable.

Sec. 2. STATE COURTS == JUSTICES, JUDGES, AND MAGISTRATES.

1. Of the amount allocated for the judicial branch in 2003
Iowa Acts, Senate File 458, section 48, if enacted, \$150,000
is allocated to fund the changes in this section to the
salaries of justices, judges, and magistrates.

2. The following annual salary rates shall be paid to the
persons holding the judicial positions indicated during the
fiscal year beginning July 1, 2003, effective with the pay
period beginning December 5, 2003, and for subsequent pay
periods:

a. Chief justice of the supreme court:	\$	127,040
b. Each justice of the supreme court:	\$	122,500
c. Chief judge of the court of appeals:	\$	122,380
d. Each associate judge of the court of appeals:	\$	117,850
e. Each chief judge of a judicial district:	\$	116,760
f. Each district judge except the chief judge of a judicial district:	\$	112,010
g. Each district associate judge:	\$	97,610
h. Each associate juvenile judge:	\$	97,610
i. Each associate probate judge:	\$	97,610
j. Each judicial magistrate:	\$	29,100
k. Each senior judge:	\$	6,500

3. Persons receiving the salary rates established under

3 6 subsection 2 shall not receive any additional salary
3 7 adjustments provided by 2003 Iowa Acts, Senate File 458,
3 8 division V.

3 9 DIVISION II

3 10 APPROPRIATIONS AND APPROPRIATIONS REVISIONS

3 11 INSURANCE DIVISION

3 12 Sec. 3. INSURANCE STUDY. There is appropriated from the
3 13 general fund of the state to the department of commerce for
3 14 the fiscal year beginning July 1, 2003, and ending June 30,
3 15 2004, the following amount, or so much thereof as is
3 16 necessary, to be used for the purpose designated:

3 17 For the insurance division to implement the school health
3 18 insurance reform team study in accordance with 2003 Iowa Acts,
3 19 Senate File 386:

3 20 \$ 15,000

3 21 DEPARTMENT OF MANAGEMENT

3 22 Sec. 4. LOCAL GOVERNMENT INNOVATION FUND APPROPRIATION.
3 23 There is appropriated from the general fund of the state to
3 24 the department of management for the fiscal year beginning
3 25 July 1, 2003, and ending June 30, 2004, the following amount,
3 26 or so much thereof as is necessary, to be used for the purpose
3 27 designated:

3 28 For deposit in the local government innovation fund created
3 29 in section 8.64:

3 30 \$ 1,000,000

3 31 Notwithstanding section 8.64, subsection 4, if enacted by
3 32 2003 Iowa Acts, Senate File 453, section 27, the local
3 33 government innovation fund committee may provide up to 20
3 34 percent of the amount appropriated in this section in the form
3 35 of forgivable loans or as grants for those projects that
4 1 propose a new and innovative sharing initiative that would
4 2 serve as an important model for cities and counties.

4 3 DEPARTMENT OF HUMAN SERVICES

4 4 Sec. 5. COUNTY HOSPITALS. There is appropriated from the
4 5 general fund of the state to the department of human services
4 6 for the fiscal year beginning July 1, 2003, and ending June
4 7 30, 2004, the following amount, or so much thereof as is
4 8 necessary, for the purpose designated:

4 9 For support of mental health care services provided to
4 10 persons who are elderly or poor by county hospitals in
4 11 counties having a population of two hundred twenty-five
4 12 thousand or more:

4 13 \$ 312,000

4 14 Sec. 6. 2003 Iowa Acts, House File 667, section 13,
4 15 subsection 2, is amended to read as follows:

4 16 2. The department may either continue or reprocure the
4 17 contract existing on June 30, 2003, with the department's
4 18 fiscal agent. If the department initiates reprocurement of
4 19 the contract, of the amount appropriated in this Act for the
4 20 medical assistance program, up to \$500,000 may be used to
4 21 begin the implementation process.

4 22 DEPARTMENT OF CORRECTIONS

4 23 Sec. 7. There is appropriated from the rebuild Iowa
4 24 infrastructure fund to the department of corrections for the
4 25 fiscal year beginning July 1, 2003, and ending June 30, 2004,
4 26 the following amounts, or so much thereof as is necessary, to
4 27 be used for the purposes designated:

4 28 1. For expansion of the Luster Heights facility into a
4 29 community-based corrections facility and an institutional work
4 30 and substance abuse treatment center:

4 31 \$ 92,000

4 32 2. For conversion of the Clarinda lodge into minimum
4 33 security bed space:

4 34 \$ 730,400

4 35 Sec. 8. 2003 Iowa Acts, Senate File 439, section 4,
5 1 subsection 1, paragraphs b and g, as enacted, are amended to
5 2 read as follows:

5 3 b. For the operation of the Anamosa correctional facility,
5 4 including salaries, support, maintenance, employment of
5 5 correctional officers and a part-time chaplain to provide
5 6 religious counseling to inmates of a minority race,
5 7 miscellaneous purposes, and for not more than the following
5 8 full-time equivalent positions:

5 9 \$ 24,531,917

5 10 25,196.085

5 11 FTEs 375.75

5 12 385.25

5 13 Moneys are provided within this appropriation for one full-
5 14 time substance abuse counselor for the Luster Heights
5 15 facility, for the purpose of certification of a substance
5 16 abuse program at that facility. Of the funds appropriated in

5 17 this paragraph "b", \$664,168 is allocated for implementation
 5 18 costs associated with expansion of the Luster Heights
 5 19 facility.
 5 20 g. For the operation of the Clarinda correctional
 5 21 facility, including salaries, support, maintenance, employment
 5 22 of correctional officers, miscellaneous purposes, and for not
 5 23 more than the following full-time equivalent positions:
 5 24 \$ ~~18,595,788~~
 5 25 19,389,220
 5 26 FTEs ~~291.76~~
 5 27 304.58
 5 28 Moneys received by the department of corrections as
 5 29 reimbursement for services provided to the Clarinda youth
 5 30 corporation are appropriated to the department and shall be
 5 31 used for the purpose of operating the Clarinda correctional
 5 32 facility.
 5 33 Of the funds appropriated in this paragraph "g", \$793,432
 5 34 is allocated for implementation costs associated with
 5 35 expansion of the conversion of the Clarinda lodge, with
 6 1 \$277,500 of the allocation for one-time costs and \$515,932 for
 6 2 ongoing costs.
 6 3 PUBLIC TRANSIT
 6 4 Sec. 9. 2003 Iowa Acts, Senate File 458, section 8, if
 6 5 enacted, is amended to read as follows:
 6 6 SEC. 8. PUBLIC TRANSIT ASSISTANCE APPROPRIATION.
 6 7 Notwithstanding section 312.2, subsection 14, the amount
 6 8 appropriated from the general fund of the state under section
 6 9 312.2, subsection 14, to the state department of
 6 10 transportation for public transit assistance under chapter
 6 11 324A for the fiscal year beginning July 1, 2003, and ending
 6 12 June 30, 2004, is reduced by the following amount:
 6 13 \$ ~~1,298,675~~
 6 14 2,582,800
 6 15 OFFICE OF THE GOVERNOR
 6 16 Sec. 10. 2003 Iowa Acts, House File 655, section 5,
 6 17 subsection 1, if enacted, is amended to read as follows:
 6 18 1. GENERAL OFFICE
 6 19 For salaries, support, maintenance, and miscellaneous
 6 20 purposes for the general office of the governor and the
 6 21 general office of the lieutenant governor, and for not more
 6 22 than the following full-time equivalent positions:
 6 23 \$ ~~1,243,643~~
 6 24 1,493,643
 6 25 FTEs ~~17.25~~
 6 26 19.25
 6 27 Of the amount appropriated in this section, \$250,000 is
 6 28 allocated for two full-time equivalent positions in the office
 6 29 of the governor that were previously funded by other state
 6 30 departments and agencies.
 6 31 DEPARTMENT OF REVENUE
 6 32 Sec. 11. 2003 Iowa Acts, House File 655, section 31, if
 6 33 enacted, is amended to read as follows:
 6 34 SEC. 31. DEPARTMENT OF REVENUE. There is appropriated
 6 35 from the general fund of the state to the department of
 7 1 revenue for the fiscal year beginning July 1, 2003, and ending
 7 2 June 30, 2004, the following amounts, or so much thereof as is
 7 3 necessary, to be used for the purposes designated, and for not
 7 4 more than the following full-time equivalent positions used
 7 5 for the purposes designated in subsection 1:
 7 6 FTEs ~~378.87~~
 7 7 380.87
 7 8 Of the full-time equivalent positions authorized in this
 7 9 section, two full-time equivalent positions are allocated for
 7 10 new positions to assist in preparation of information for the
 7 11 revenue estimating conference and in improving the turnaround
 7 12 time for processing corporate tax filings.
 7 13 1. COMPLIANCE == INTERNAL RESOURCES MANAGEMENT == STATE
 7 14 FINANCIAL MANAGEMENT == STATEWIDE PROPERTY TAX ADMINISTRATION
 7 15 For salaries, support, maintenance, and miscellaneous
 7 16 purposes:
 7 17 \$ ~~23,259,111~~
 7 18 23,359,111
 7 19 Of the funds appropriated pursuant to this subsection,
 7 20 \$400,000 shall be used to pay the direct costs of compliance
 7 21 related to the collection and distribution of local sales and
 7 22 services taxes imposed pursuant to chapters 422B and 422E.
 7 23 The director of revenue shall prepare and issue a state
 7 24 appraisal manual and the revisions to the state appraisal
 7 25 manual as provided in section 421.17, subsection 18, without
 7 26 cost to a city or county.
 7 27 2. COLLECTION COSTS AND FEES

7 28 For payment of collection costs and fees pursuant to
 7 29 section 422.26:
 7 30 \$ 28,166
 7 31 DEPARTMENT OF PUBLIC HEALTH
 7 32 Sec. 12. 2003 Iowa Acts, House File 667, section 2,
 7 33 subsection 8, as enacted, is amended to read as follows:
 7 34 8. INFECTIOUS DISEASES
 7 35 For reducing the incidence and prevalence of communicable
 8 1 diseases, and for not more than the following full-time
 8 2 equivalent positions:
 8 3 \$ ~~977,340~~
 8 4 1,074,888
 8 5 FTEs 36.90
 8 6 DIVISION III
 8 7 MISCELLANEOUS PROVISIONS
 8 8 Sec. 13. GOVERNMENT OVERSIGHT COMMITTEE == REVIEW OF
 8 9 CONTINUING CARE RETIREMENT COMMUNITIES == ASSISTED LIVING
 8 10 PROGRAM APPLICABILITY. The government oversight committees
 8 11 shall review the application of chapter 231C, relating to
 8 12 assisted living programs, to continuing care retirement
 8 13 communities, as defined in section 523D.1. The committees
 8 14 shall submit recommendations for any legislation deemed
 8 15 necessary for consideration during the 2004 regular
 8 16 legislative session.
 8 17 Sec. 14. Section 7J.1, subsection 1, as enacted by 2003
 8 18 Iowa Acts, Senate File 453, section 32, and amended by 2003
 8 19 Iowa Acts, Senate File 458, section 85, is amended to read as
 8 20 follows:
 8 21 1. DESIGNATION OF CHARTER AGENCIES == PURPOSE. The
 8 22 governor may, by executive order, designate state departments
 8 23 or agencies, as described in section 7E.5, or the Iowa lottery
 8 24 authority established in chapter 99G, other than the
 8 25 department of administrative services, if the department is
 8 26 established in law, or the department of management, as a
 8 27 charter agency by July 1, 2003. The designation of a charter
 8 28 agency shall be for a period of five years which shall
 8 29 terminate as of June 30, 2008. The purpose of designating a
 8 30 charter agency is to grant the agency additional authority as
 8 31 provided by this chapter while reducing the total
 8 32 appropriations to the agency.
 8 33 Sec. 15. Section 15E.193B, subsection 4, Code 2003, as
 8 34 amended by 2003 Iowa Acts, Senate File 458, section 100, if
 8 35 enacted, is amended to read as follows:
 9 1 4. The eligible housing business shall complete its
 9 2 building or rehabilitation within two years from the time the
 9 3 business begins construction on the single-family homes and
 9 4 dwelling units. The failure to complete construction or
 9 5 rehabilitation within two years shall result in the eligible
 9 6 housing business becoming ineligible and subject to the
 9 7 repayment requirements and penalties enumerated in subsection
 9 8 7. The department may extend the prescribed two-year
 9 9 completion period for any current or future project which has
 9 10 not been completed if the department determines that
 9 11 completion within the two-year period is impossible or
 9 12 impractical as a result of a substantial loss caused by flood,
 9 13 fire, earthquake, storm, or other catastrophe. For purposes
 9 14 of this subsection, "substantial loss" means damage or
 9 15 destruction in an amount in excess of thirty percent of the
 9 16 project's expected eligible basis as set forth in the eligible
 9 17 housing business's application.
 9 18 Sec. 16. Section 215.14, Code 2003, is amended to read as
 9 19 follows:
 9 20 215.14 APPROVAL BY DEPARTMENT.
 9 21 A commercial weighing and measuring device shall not be
 9 22 installed in this state unless approved by the department.
 9 23 ~~All livestock scales and~~
 9 24 1. A pit type scales scale or any other scale installed in
 9 25 a pit, regardless of capacity, that is installed on or after
 9 26 July 1, 1990, shall have a clearance of not less than four
 9 27 feet from the finished floor line of the scale to the bottom
 9 28 of the "I" beam of the scale bridge. Livestock shall not be
 9 29 weighed on any scale other than a livestock scale or pit type
 9 30 scale.
 9 31 2. An electronic pitless scale shall be placed on concrete
 9 32 footings with concrete floor. The concrete floor shall allow
 9 33 for adequate drainage away from the scale as required by the
 9 34 department. There shall be a clearance of not less than eight
 9 35 inches between the weigh bridge and the concrete floor to
 10 1 facilitate inspection and cleaning.
 10 2 3. After approval by the department, the specifications
 10 3 for a commercial weighing and measuring device shall be

10 4 furnished to the purchaser of the device by the manufacturer.
10 5 The approval shall be based upon the recommendation of the
10 6 United States national institute of standards and technology.
10 7 Sec. 17. Section 231C.17, subsection 4, if enacted by 2003
10 8 Iowa Acts, House File 675, section 24, is amended by striking
10 9 the subsection and inserting in lieu thereof the following:

10 10 4. A continuing care retirement community, as defined in
10 11 section 523D.1, may provide limited personal care services and
10 12 emergency response services to its independent living tenants
10 13 if all of the following conditions are met:

10 14 a. The provision of such personal care services or
10 15 emergency response services does not result in inadequate
10 16 staff coverage to meet the service needs of all tenants of the
10 17 continuing care retirement community.

10 18 b. The staff providing the personal care or emergency
10 19 response services is trained or qualified to the extent
10 20 necessary to provide such services.

10 21 c. The continuing care retirement community documents the
10 22 date, time, and nature of the personal care or emergency
10 23 response services provided.

10 24 d. Emergency response services are only provided in
10 25 situations which constitute an urgent need for immediate
10 26 action or assistance due to unforeseen circumstances.

10 27 This subsection shall not be construed to prohibit an
10 28 independent living tenant of a continuing care retirement
10 29 community from contracting with a third party for personal
10 30 care or emergency response services.

10 31 Sec. 18. NEW SECTION. 237A.25 CONSUMER INFORMATION.

10 32 1. The department shall develop consumer information
10 33 material to assist parents in selecting a child care provider.
10 34 In developing the material, the department shall consult with
10 35 department of human services staff, department of education
11 1 staff, the state child care advisory council, the Iowa
11 2 empowerment board, and child care resource and referral
11 3 services. In addition, the department may consult with other
11 4 entities at the local, state, and national level.

11 5 2. The consumer information material developed by the
11 6 department for parents and other consumers of child care
11 7 services shall include but is not limited to all of the
11 8 following:

11 9 a. A pamphlet or other printed material containing
11 10 consumer-oriented information on locating a quality child care
11 11 provider.

11 12 b. Information explaining important considerations a
11 13 consumer should take into account in selecting a licensed or
11 14 registered child care provider.

11 15 c. Information explaining how a consumer can identify
11 16 quality services, including what questions to ask of providers
11 17 and what a consumer might expect or demand to know before
11 18 selecting a provider.

11 19 d. An explanation of the applicable laws and regulations
11 20 written in layperson's terms.

11 21 e. An explanation of what it means for a provider to be
11 22 licensed, registered, or unregistered.

11 23 f. An explanation of the information considered in
11 24 registry and record background checks.

11 25 g. Other information deemed relevant to consumers.

11 26 3. The department shall implement and publicize an
11 27 internet page or site that provides all of the following:

11 28 a. The written information developed pursuant to
11 29 subsections 1 and 2.

11 30 b. Regular informational updates, including when a child
11 31 care provider was last subject to a state quality review or
11 32 inspection and, based upon a final score or review, the
11 33 results indicating whether the provider passed or failed the
11 34 review or inspection.

11 35 c. Capability for a consumer to be able to access
12 1 information concerning child care providers, such as
12 2 informational updates, identification of provider location,
12 3 name, and capacity, and identification of providers
12 4 participating in the state child care assistance program and
12 5 those participating in the child care food program, by sorting
12 6 the information or employing other means that provide the
12 7 information in a manner that is useful to the consumer.
12 8 Information regarding provider location shall identify
12 9 providers located in the vicinity of an address selected by a
12 10 consumer and provide contact information without listing the
12 11 specific addresses of the providers.

12 12 d. Other information deemed appropriate by the department.

12 13 Sec. 19. Section 384.84, Code 2003, is amended by adding
12 14 the following new subsection:

12 15 NEW SUBSECTION. 9. Notwithstanding subsection 3, a lien
12 16 shall not be filed against the land if the premises are
12 17 located on leased land. If the premises are located on leased
12 18 land, a lien may be filed against the premises only.
12 19 Sec. 20. Section 422E.3A, subsection 2, paragraph a, if
12 20 enacted by 2003 Iowa Acts, Senate File 445, section 8, is
12 21 amended to read as follows:
12 22 a. A school district that is located in whole or in part
12 23 in a county that voted on and approved prior to April 1, 2003,
12 24 the local sales and services tax for school infrastructure
12 25 purposes and that has a sales tax capacity per student above
12 26 the guaranteed school infrastructure amount shall receive for
12 27 the remainder of the term of the tax an amount equal to its
12 28 pro rata share of the local sales and services tax receipts as
12 29 provided in section 422E.3, subsection 5, paragraph "d",
12 30 unless the school board passes a resolution by October 1,
12 31 2003, agreeing to receive a distribution pursuant to paragraph
12 32 "b", subparagraph (1).
12 33 Sec. 21. Section 422E.3A, subsection 2, paragraph b,
12 34 subparagraph (1), if enacted by 2003 Iowa Acts, Senate File
12 35 445, section 8, is amended to read as follows:
13 1 (1) A school district that is located in whole or in part
13 2 in a county that voted on and approved prior to April 1, 2003,
13 3 the local sales and services tax for school infrastructure
13 4 purposes and that has a sales tax capacity per student below
13 5 its guaranteed school infrastructure amount shall receive for
13 6 the remainder of the term of the tax an amount equal to its
13 7 pro rata share of the local sales and services tax receipts as
13 8 provided in section 422E.3, subsection 5, paragraph "d", plus
13 9 an amount equal to its supplemental school infrastructure
13 10 amount, unless the school district passes a resolution by
13 11 October 1, 2003, agreeing to receive only an amount equal to
13 12 its pro rata share as provided in section 422E.3, subsection
13 13 5, paragraph "d", in all subsequent years.
13 14 Sec. 22. Section 422E.3A, subsection 3, paragraph a, as
13 15 enacted by 2003 Iowa Acts, Senate File 445, is amended to read
13 16 as follows:
13 17 a. The director of revenue and finance by June 1 preceding
13 18 each fiscal year shall compute the guaranteed school
13 19 infrastructure amount for each school district, each school
13 20 district's sales tax capacity per student for each county, ~~the~~
13 21 ~~statewide tax revenues per student,~~ and the supplemental
13 22 school infrastructure amount for the coming fiscal year.
13 23 Sec. 23. Section 422E.3A, subsection 3, paragraph b,
13 24 subparagraph (3), as enacted by 2003 Iowa Acts, Senate File
13 25 445, is amended by striking the subparagraph and inserting in
13 26 lieu thereof the following:
13 27 (3) "Statewide tax revenues per student" means five
13 28 hundred seventy-five dollars per student. The general
13 29 assembly shall review this amount annually to determine its
13 30 appropriateness.
13 31 Sec. 24. Section 422E.3A, subsection 5, as enacted by 2003
13 32 Iowa Acts, Senate File 445, is amended to read as follows:
13 33 5. In the case of a deficiency in the fund to pay the
13 34 supplemental school infrastructure amounts in full, the amount
13 35 available in the fund less the sales and services tax revenues
14 1 for school infrastructure purposes attributed to each school
14 2 district should be allocated ~~based on the proportion of actual~~
14 3 ~~enrollment in the district to the combined actual enrollment~~
14 4 ~~in the counties where the sales and services tax for school~~
14 5 ~~infrastructure purposes has been imposed and the school~~
14 6 ~~districts in the counties qualify for the supplemental school~~
14 7 ~~infrastructure amount first to increase the school district~~
14 8 ~~with the lowest sales tax capacity per student to an amount~~
14 9 ~~equal to the school district or school districts with the next~~
14 10 ~~lowest sales tax capacity per student and then increase the~~
14 11 ~~school districts to an amount equal to the school district or~~
14 12 ~~school districts with the next lowest sales tax capacity per~~
14 13 ~~student and continue on in this manner until money is no~~
14 14 ~~longer available or all school districts reach their~~
14 15 ~~guaranteed school infrastructure amount.~~
14 16 Sec. 25. Section 422E.3A, subsection 6, unnumbered
14 17 paragraph 1, as enacted by 2003 Iowa Acts, Senate File 445, is
14 18 amended to read as follows:
14 19 A school district ~~with less than two hundred fifty actual~~
14 20 ~~enrollment or less than one hundred actual enrollment in the~~
14 21 ~~high school~~ shall not expend the supplemental school
14 22 infrastructure amount received for new construction or for
14 23 payments for bonds issued for new construction against the
14 24 supplemental school infrastructure amount without prior
14 25 application to the department of education and receipt of a

14 26 certificate of need pursuant to this subsection. However, a
14 27 certificate of need is not required for the payment of
14 28 outstanding bonds issued for new construction pursuant to
14 29 section 296.1, before April 1, 2003. A certificate of need is
14 30 also not required for repairing schoolhouses or buildings,
14 31 equipment, technology, or transportation equipment for
14 32 transporting students as provided in section 298.3, or for
14 33 construction necessary for compliance with the federal
14 34 Americans With Disabilities Act pursuant to 42 U.S.C. } 12101=
14 35 12117. In determining whether a certificate of need shall be
15 1 issued or denied, the department shall consider all of the
15 2 following:

15 3 Sec. 26. Section 435.26A, subsection 5, as enacted by 2003
15 4 Iowa Acts, Senate File 134, section 7, and as amended by 2003
15 5 Iowa Acts, Senate File 458, section 128, if enacted, is
15 6 amended to read as follows:

15 7 5. An owner of a manufactured home who has surrendered a
15 8 certificate of title under this section and requires another
15 9 certificate of title for the manufactured home is required to
15 10 apply for a certificate of title under ~~section 321.42~~ chapter
15 11 321. If supporting documents for the reissuance of a title
15 12 are not available or sufficient, the procedure for the
15 13 reissuance of a title specified in the rules of the department
15 14 of transportation shall be used.

15 15 Sec. 27. Section 459.315, Code 2003, as amended by 2003
15 16 Iowa Acts, House File 644, if enacted, is amended by adding
15 17 the following new subsection:

15 18 NEW SUBSECTION. 4A. This section shall not require a
15 19 person to be certified as a confinement site manure applicator
15 20 if the person applies manure which originates from a manure
15 21 storage structure which is part of a small animal feeding
15 22 operation.

15 23 Sec. 28. Section 508.31A, subsection 2, paragraph a,
15 24 subparagraph (4), as enacted by 2003 Iowa Acts, House File
15 25 647, section 7, is amended to read as follows:

15 26 (4) A person other than a natural person for the purpose
15 27 of providing collateral security for securities ~~issued by such~~
~~15 28 person and~~ registered with the federal securities and exchange
15 29 commission.

15 30 Sec. 29. 2003 Iowa Acts, Senate File 401, section 5,
15 31 subsection 1, is amended to read as follows:

15 32 1. Notwithstanding any provision of law to the contrary,
15 33 the section of this Act creating section 453A.2, subsection
15 34 5A, is applicable to violations pending on the effective date
15 35 of this Act for which a penalty has not been assessed under
16 1 section 453A.22, subsection 2. Notwithstanding this
16 2 subsection, however, if a county health department, a city
16 3 health department, or a city assesses a penalty under section
16 4 453A.22, subsection 2, on or after April 11, 2003 but prior to
16 5 June 30, 2003, for a violation of section 453A.2, subsection
16 6 1, which was pending on April 11, 2003, the county health
16 7 department, city health department or city assessing the
16 8 penalty shall be deemed to have jurisdiction to assess the
16 9 penalty and the penalty assessed is deemed valid.

16 10 Sec. 30. 2003 Iowa Acts, Senate File 458, section 21,
16 11 unnumbered paragraph 3, if enacted, is amended to read as
16 12 follows:

16 13 Of the funds appropriated in this section, up to \$10,000 is
16 14 transferred to the ~~Iowa~~ department of ~~public health~~ human
16 15 services for allocation to community mental health centers to
16 16 provide counseling services to persons who are members of the
16 17 national guard and reservists activated but as yet not sent to
16 18 combat zones and to the persons' family members. The sessions
16 19 shall be provided on a first come, first served basis and
16 20 shall be limited to three visits per family.

16 21 Sec. 31. 2003 Iowa Acts, Senate File 458, section 149, if
16 22 enacted, is amended to read as follows:

16 23 SEC. 149. SUPPLEMENTAL PAYMENT ADJUSTMENTS FOR PHYSICIAN
16 24 SERVICES. To the extent that, pursuant to law enacted by the
16 25 Eightieth General Assembly, 2003 Session, supplemental payment
16 26 adjustments are implemented for physician services provided to
16 27 medical assistance program participants at publicly owned
16 28 acute care hospitals, the department of human services shall
16 29 not, directly or indirectly, recoup the supplemental payment
16 30 adjustments for any reason, unless an amount equivalent to the
16 31 amount of adjustment funds ~~that were~~ is first transferred to
16 32 the ~~department by the state~~ university of Iowa college of
16 33 medicine ~~is transferred by the department to the qualifying~~
~~16 34 physicians. Any such amount transferred and identified as a~~
16 35 supplemental payment under this section shall then be refunded
17 1 to the department of human services, per the agreement

17 2 executed for this purpose between the department and the
17 3 university of Iowa.

17 4 Sec. 32. 2003 Iowa Acts, House File 667, section 27,
17 5 subsection 1, unnumbered paragraph 2, is amended to read as
17 6 follows:

17 7 For costs associated with the commitment and treatment of
17 8 sexually violent predators in the unit located at the state
17 9 mental health institute at Cherokee, including costs of legal
17 10 services and other associated costs, including salaries,
17 11 support, maintenance, and miscellaneous purposes and for not
17 12 more than the following full-time equivalent positions:
17 13 \$ 2,675,179
17 14 FTEs ~~46.00~~
17 15 57.00

17 16 Sec. 33. EFFECTIVE DATE == RETROACTIVE APPLICABILITY.

17 17 1. The section of this division of this Act amending
17 18 section 231C.17, being deemed of immediate importance, takes
17 19 effect upon enactment.

17 20 2. The section of this division of this Act amending 2003
17 21 Iowa Acts, Senate File 401, being deemed of immediate
17 22 importance, takes effect upon enactment and is retroactively
17 23 applicable to April 11, 2003.

17 24 DIVISION IV
17 25 CORRECTIVE PROVISIONS

17 26 Sec. 34. Section 8A.505, as enacted by 2003 Iowa Acts,
17 27 House File 534, section 87, is amended by adding the following
17 28 new unnumbered paragraph:

17 29 NEW UNNUMBERED PARAGRAPH. There is appropriated annually
17 30 from the increase in indirect cost reimbursements over the
17 31 amount of indirect cost reimbursements received during the
17 32 fiscal year beginning July 1, 2002, to the office of grants
17 33 enterprise management of the department of management the sum
17 34 of up to one hundred twenty-five thousand dollars. The
17 35 director shall transfer the funds appropriated to the
18 1 department of management as provided in this paragraph and
18 2 shall make the funds resulting from the increase in
18 3 reimbursements available during the fiscal year to the
18 4 department of management on a monthly basis. If the amount of
18 5 the increase in indirect cost reimbursements is insufficient
18 6 to pay the maximum appropriation provided for in this
18 7 paragraph, the amount appropriated is equal to the amount of
18 8 such increase.

18 9 Sec. 35. Section 12C.4, Code 2003, as amended by 2003 Iowa
18 10 Acts, House File 289, section 2, is amended to read as
18 11 follows:

18 12 12C.4 LOCATION OF DEPOSITORIES.

18 13 Deposits by the treasurer of state shall be in depositories
18 14 located in this state; by a county officer or county public
18 15 hospital officer or merged area hospital officer, in
18 16 depositories located in the county or in an adjoining county
18 17 within this state; by a memorial hospital treasurer, in a
18 18 depository located within this state which shall be selected
18 19 by the memorial hospital treasurer and approved by the
18 20 memorial hospital commission; by a city treasurer or other
18 21 city financial officer, in depositories located in the county
18 22 in which the city is located or in an adjoining county, but if
18 23 there is no depository in the county in which the city is
18 24 located or in an adjoining county then in any other depository
18 25 located in this state which shall be selected as a depository
18 26 by the city council; by a school treasurer or by a school
18 27 secretary in a depository within this state which shall be
18 28 selected by the board of directors or the trustees of the
18 29 school district; by a township clerk in a depository located
18 30 within this state which shall be selected by the township
18 31 clerk and approved by the trustees of the township. However,
18 32 deposits may be made in depositories outside of Iowa for the
18 33 purpose of paying principal and interest on bonded
18 34 indebtedness of any municipality when the deposit is made not
18 35 more than ten days before the date the principal or interest
19 1 becomes due. Further, the treasurer of state may maintain an
19 2 account or accounts outside the state of Iowa for the purpose
19 3 of providing custodial services for the state and state
19 4 retirement fund accounts. Deposits made for the purpose of
19 5 completing an electronic financial transaction pursuant to
19 6 section ~~14B.203~~ 8A.222 or 331.427 may be made in any
19 7 depository located in this state.

19 8 Sec. 36. Section 29A.28, subsection 3, as enacted by 2003
19 9 Iowa Acts, House File 674, section 3, is amended to read as
19 10 follows:

19 11 3. Upon returning from a leave of absence under this
19 12 section, an employee shall be entitled to return to the same

19 13 position and classification held by the employee at the time
19 14 of entry ~~onto~~ into state active duty, active state service, or
19 15 federal service or to the position and classification that the
19 16 employee would have been entitled to if the continuous civil
19 17 service of the employee had not been interrupted by state
19 18 active duty, active state service, or federal service. Under
19 19 this subsection, "position" includes the geographical location
19 20 of the position.

19 21 Sec. 37. Section 70A.39, subsection 1, paragraph b, as
19 22 enacted by 2003 Iowa Acts, House File 381, section 1, is
19 23 amended to read as follows:

19 24 b. ~~"Vascularized~~ "Vascular organ" means a heart, lung,
19 25 liver, pancreas, kidney, intestine, or other organ that
19 26 requires the continuous circulation of blood to remain useful
19 27 for purposes of transplantation.

19 28 Sec. 38. Section 99B.7, subsection 1, paragraph 1,
19 29 subparagraph (1), Code 2003, as amended by 2003 Iowa Acts,
19 30 Senate File 453, section 104, if enacted, is amended to read
19 31 as follows:

19 32 (1) No other gambling is engaged in at the same location,
19 33 except that lottery tickets or shares issued by the Iowa
19 34 ~~lottery division of the department of revenue and finance~~
19 35 ~~authority~~ may be sold pursuant to chapter 99G.

20 1 Sec. 39. Section 507A.4, subsection 9, paragraph e, as
20 2 enacted by 2003 Iowa Acts, House File 647, section 4, is
20 3 amended to read as follows:

20 4 e. When not otherwise provided, a foreign or domestic
20 5 multiple ~~employee~~ employer welfare arrangement doing business
20 6 in this state shall pay to the commissioner of insurance the
20 7 fees as required in section 511.24.

20 8 Sec. 40. Section 556.11, subsection 5, Code 2003, as
20 9 amended by 2003 Iowa Acts, Senate File 180, section 2, is
20 10 amended to read as follows:

20 11 5. If the holder of property presumed abandoned under this
20 12 chapter knows the whereabouts of the owner and if the owner's
20 13 claim has not been barred by the statute of limitations, the
20 14 holder shall, before filing the annual report, communicate
20 15 with the owner and take necessary steps to prevent abandonment
20 16 from being presumed. The holder shall exercise due diligence
20 17 to ascertain the whereabouts of the owner. A holder is not
20 18 required to make a due diligence mailing to owners whose
20 19 property has an aggregate value of less than fifty dollars.
20 20 The treasurer of state may charge a holder that fails to
20 21 timely exercise due diligence, as required in this subsection,
20 22 five dollars for each name and address account reported if
20 23 thirty-five percent ~~of~~ or more of the accounts are claimed
20 24 within the twenty-four months immediately following the filing
20 25 of the holder report.

20 26 Sec. 41. 2003 Iowa Acts, Senate File 438, section 3, is
20 27 repealed.

20 28 Sec. 42. 2003 Iowa Acts, Senate File 453, section 11, if
20 29 enacted, is amended to read as follows:

20 30 SEC. 11. Sections ~~403.23~~, 405A.1, 405A.2, 405A.3, 405A.4,
20 31 405A.5, 405A.6, 405A.7, 405A.8, 405A.9, 405A.10, 422.65,
20 32 427A.12, and 427B.19B, Code 2003, are repealed.

20 33 Sec. 43. 2003 Iowa Acts, Senate File 458, section 159, if
20 34 enacted, is amended to read as follows:

20 35 SEC. 159. EFFECTIVE DATES. The following provisions of
21 1 this division of this Act, being deemed of immediate
21 2 importance, take effect upon enactment:

21 3 1. The amendments to sections 8.23, 8.31, and 8.57 which
21 4 are first applicable to appropriations made for the fiscal
21 5 year beginning July 1, 2003.

21 6 2. The amendment to section 12E.12.

21 7 3. The amendments to sections 15E.42, 15E.43, 15E.45, and
21 8 15E.51, which apply retroactively to January 1, 2002, for tax
21 9 years beginning on or after that date.

21 10 4. The amendment to section 15E.193B.

21 11 5. The amendment to section 435.26A.

21 12 6. The amendment to section 453A.2, which shall only take
21 13 effect if 2003 Iowa Acts, Senate File 401, is enacted by the
21 14 Eightieth General Assembly, 2003 Regular Session.

21 15 7. The amendments to sections 453C.1 and 453C.2 and the
21 16 related severability provision.

21 17 8. The amendments to sections 518.18 and 518A.35.

21 18 9. The section directing the department of corrections to
21 19 develop a plan for selling certain land.

21 20 10. The section relating to the sales and use tax refund.

21 21 11. The section relating to the school district
21 22 reimbursement claim.

21 23 The sections of this division of this Act amending section

21 24 80B.5 and enacting section 80B.5A are applicable to the
21 25 appointment of the director of the Iowa law enforcement
21 26 academy for the term beginning May 1, 2004.
21 27 ~~Section 29C.8, subsection 3, paragraph "f", as enacted in~~
~~21 28 this division of this Act, and the amendment to section~~
~~21 29 29C.20, subsection 1, as enacted in this division of this Act,~~
~~21 30 take effect July 1, 2004.~~

21 31 Sec. 44. 2003 Iowa Acts, House File 171, section 112, the
21 32 bill section amending clause, is amended to read as follows:

21 33 Section 656.2, subsection 2, paragraph a, unnumbered
21 34 paragraph ~~1~~ 3, Code 2003, is amended to read as follows:

21 35 Sec. 45. 2003 Iowa Acts, House File 662, section 5,
22 1 subsection 8, paragraphs a and b, if enacted, are amended to
22 2 read as follows:

22 3 a. Of the amount appropriated in this ~~section~~ subsection,
22 4 \$347,371 shall be allocated to the public broadcasting
22 5 division for purposes of providing support for functions
22 6 related to the Iowa communications network, including but not
22 7 limited to the following functions: development of distance
22 8 learning applications; development of a central information
22 9 source on the internet relating to educational uses of the
22 10 network; second-line technical support for network sites;
22 11 testing and initializing sites onto the network; and
22 12 coordinating the work of the education telecommunications
22 13 council.

22 14 b. Of the amount appropriated in this ~~section~~ subsection,
22 15 \$1,272,285 shall be allocated to the regional
22 16 telecommunications councils established in section 8D.5. The
22 17 regional telecommunications councils shall use the funds to
22 18 provide technical assistance for network classrooms, planning
22 19 and troubleshooting for local area networks, scheduling of
22 20 video sites, and other related support activities.

22 21 Sec. 46. 2003 Iowa Acts, House File 662, section 6,
22 22 unnumbered paragraph 2, if enacted, is amended to read as
22 23 follows:

22 24 The funds allocated in this ~~subsection~~ section shall be
22 25 distributed as follows:

22 26 Sec. 47. EFFECTIVE AND APPLICABILITY DATES.

22 27 1. The section of this division of this Act amending
22 28 section 29A.28, subsection 3, being deemed of immediate
22 29 importance, takes effect upon enactment and applies
22 30 retroactively to January 1, 2003.

22 31 2. The section of this division of this Act amending 2003
22 32 Iowa Acts, Senate File 458, section 159, being deemed of
22 33 immediate importance, takes effect upon enactment.

22 34 3. 2003 Iowa Acts, Senate File 458, section 140, relating
22 35 to nonreversion of funds appropriated in 1996 Iowa Acts,
23 1 chapter 1218, and 1997 Iowa Acts, chapter 215, if enacted,
23 2 being deemed of immediate importance, takes effect upon
23 3 enactment of this Act.

23 4 DIVISION V

23 5 CRIMINAL OFFENDERS AND INMATES

23 6 Sec. 48. Section 321J.2, subsection 2, paragraph a,
23 7 subparagraph (1), Code 2003, is amended to read as follows:

23 8 (1) Imprisonment in the county jail for not less than
23 9 forty-eight hours, to be served as ordered by the court, less
23 10 credit for any time the person was confined in a jail or
23 11 detention facility following arrest or for any time the person
23 12 spent in a court-ordered operating-while-intoxicated program
23 13 that provides law enforcement security. However, the court,

23 14 in ordering service of the sentence and in its discretion, may
23 15 accommodate the defendant's work schedule.

23 16 Sec. 49. NEW SECTION. 811.2A PRETRIAL RELEASE.

23 17 A person, who has been released under a plan of pretrial
23 18 release or on the person's own recognizance and who is
23 19 subsequently arrested for a new criminal offense while under
23 20 the plan of pretrial release or released on the person's own
23 21 recognizance, shall not be eligible for another release
23 22 pursuant to pretrial release guidelines or released on the
23 23 person's own recognizance, if all of the following apply:

23 24 1. The arrest for the new criminal offense is based on a
23 25 set of facts or an event that is different than involved in
23 26 the earlier arrest.

23 27 2. The new criminal offense is classified as greater than
23 28 a serious misdemeanor.

23 29 However, a person may be admitted to bail if eligible
23 30 pursuant to section 811.1.

23 31 Sec. 50. Section 901.4, Code 2003, is amended to read as
23 32 follows:

23 33 901.4 PRESENTENCE INVESTIGATION REPORT CONFIDENTIAL ==
23 34 DISTRIBUTION.

23 35 The presentence investigation report is confidential and
24 1 the court shall provide safeguards to ensure its
24 2 confidentiality, including but not limited to sealing the
24 3 report, which may be opened only by further court order. At
24 4 least three days prior to the date set for sentencing, the
24 5 court shall serve all of the presentence investigation report
24 6 upon the defendant's attorney and the attorney for the state,
24 7 and the report shall remain confidential except upon court
24 8 order. However, the court may conceal the identity of the
24 9 person who provided confidential information. The report of a
24 10 medical examination or psychological or psychiatric evaluation
24 11 shall be made available to the attorney for the state and to
24 12 the defendant upon request. The reports are part of the
24 13 record but shall be sealed and opened only on order of the
24 14 court. If the defendant is committed to the custody of the
24 15 Iowa department of corrections and is not a class "A" felon, a
24 16 copy of the presentence investigation report shall be
24 17 forwarded to the director with the order of commitment by the
24 18 clerk of the district court and to the board of parole at the
24 19 time of commitment. The Pursuant to section 904.602, the
24 20 presentence investigation report may also be released by the
24 21 department of corrections or a judicial district department of
24 22 correctional services pursuant to section 904.602 to another
24 23 jurisdiction for the purpose of providing interstate probation
24 24 and parole compact services or evaluations, or to a substance
24 25 abuse or mental health services provider when referring a
24 26 defendant for services. The defendant or the defendant's
24 27 attorney may file with the presentence investigation report, a
24 28 denial or refutation of the allegations, or both, contained in
24 29 the report. The denial or refutation shall be included in the
24 30 report. If the person is sentenced for an offense which
24 31 requires registration under chapter 692A, the court shall
24 32 release the report to the department which is responsible
24 33 under section 692A.13A for performing the assessment of risk.
24 34 Sec. 51. Section 901B.1, subsection 1, paragraph c,
24 35 subparagraph (5), Code 2003, is amended to read as follows:
25 1 (5) A substance abuse treatment facility as established
25 2 and operated by the Iowa department of public health or the
25 3 department of corrections.
25 4 Sec. 52. Section 903A.2, subsection 1, paragraph a, Code
25 5 2003, is amended to read as follows:
25 6 a. Category "A" sentences are those sentences which are
25 7 not subject to a maximum accumulation of earned time of
25 8 fifteen percent of the total sentence of confinement under
25 9 section 902.12. To the extent provided in subsection 5,
25 10 category "A" sentences also include life sentences imposed
25 11 under section 902.1. An inmate of an institution under the
25 12 control of the department of corrections who is serving a
25 13 category "A" sentence is eligible for a reduction of sentence
25 14 equal to one and two-tenths days for each day the inmate
25 15 demonstrates good conduct and satisfactorily participates in
25 16 any program or placement status identified by the director to
25 17 earn the reduction. The programs include but are not limited
25 18 to the following:
25 19 (1) Employment in the institution.
25 20 (2) Iowa state industries.
25 21 (3) An employment program established by the director.
25 22 (4) A treatment program established by the director.
25 23 (5) An inmate educational program approved by the
25 24 director.
25 25 An inmate serving a category "A" sentence is eligible for
25 26 an additional reduction of sentence of up to three hundred
25 27 sixty-five days of the full term of the sentence of the inmate
25 28 for exemplary acts. In accordance with section 903A.4, the
25 29 director shall by policy identify what constitutes an
25 30 exemplary act that may warrant an additional reduction of
25 31 sentence.
25 32 Sec. 53. Section 903A.3, subsection 2, Code 2003, is
25 33 amended to read as follows:
25 34 2. The orders of the administrative law judge are subject
25 35 to appeal to the superintendent or warden of the institution,
26 1 or the superintendent's or warden's designee, who may either
26 2 affirm, modify, remand for correction of procedural errors, or
26 3 reverse an order. However, sanctions shall not be increased
26 4 on appeal. A decision of the superintendent, warden, or
26 5 designee is subject to review by the director of the Iowa
26 6 department of corrections who may either affirm, modify,
26 7 remand for correction of procedural errors, or reverse the
26 8 decision. However, sanctions shall not be increased on
26 9 review.
26 10 Sec. 54. NEW SECTION. 904.117 INTERSTATE COMPACT FUND.

26 11 An interstate compact fund is established under the control
26 12 of the department. All interstate compact fees collected by
26 13 the department pursuant to section 907B.5 shall be deposited
26 14 into the fund and the moneys shall be used by the department
26 15 to offset the costs of complying with the interstate compact
26 16 for adult offender supervision in chapter 907B.

26 17 Notwithstanding section 8.33, moneys remaining in the fund at
26 18 the end of a fiscal year shall not revert to the general fund
26 19 of the state. Notwithstanding section 12C.7, interest and
26 20 earnings deposited in the fund shall be credited to the fund.

26 21 Sec. 55. Section 904.503, subsection 2, Code 2003, is
26 22 amended to read as follows:

26 23 2. When the director has cause to believe that an inmate
26 24 in a state correctional institution is mentally ill, the Iowa
26 25 department of corrections may cause the inmate to be
26 26 transferred to the Iowa medical and classification center, or
26 27 to another appropriate facility within the department, for
26 28 examination, diagnosis, or treatment. The inmate shall be
26 29 confined at that ~~institution center or facility~~ or a state
26 30 hospital for persons with mental illness until the expiration
26 31 of the inmate's sentence or until the inmate is pronounced in
26 32 good mental health. If the inmate is pronounced in good
26 33 mental health before the expiration of the inmate's sentence,
26 34 the inmate shall be returned to the state correctional
26 35 institution until the expiration of the inmate's sentence.

27 1 Sec. 56. Section 904.508, subsection 2, Code 2003, is
27 2 amended to read as follows:

27 3 2. ~~The Pursuant to section 904.702, the director shall~~
27 4 establish and maintain an inmate savings fund in an interest=
27 5 bearing account for the deposit of all or part of an inmate's
27 6 allowances, ~~as provided in section 904.702 and amounts, except~~
27 7 ~~amounts directed to be deposited in the inmate telephone fund~~
27 8 ~~established in section 904.508A, sent to the inmate from a~~
27 9 ~~source other than the department.~~ All or part of an inmate's
27 10 allowances and amounts, ~~except amounts directed to be~~
27 11 ~~deposited in the inmate telephone fund established in section~~
27 12 ~~904.508A, from a source other than the department shall be~~
27 13 deposited into the savings fund, until the inmate's deposit is
27 14 equal to the amount due the inmate upon discharge, parole, ~~or~~
27 15 ~~placement on work release, one hundred dollars as provided in~~
27 16 section 906.9. If an inmate's deposits ~~are~~ equal ~~this amount~~
27 17 ~~to or in excess of one hundred dollars,~~ the inmate may
27 18 voluntarily withdraw from the savings fund. The director
27 19 shall notify the inmate of this right to withdraw and shall
27 20 provide the inmate with a written request form to facilitate
27 21 the withdrawal. If the inmate withdraws and the inmate's
27 22 deposits exceed the amount due as provided in section 906.9,
27 23 the director shall disburse the excess amount as provided for
27 24 allowances under section 904.702, except the director shall
27 25 not deposit the excess amount in the inmate savings fund. If
27 26 the inmate chooses to continue to participate in the savings
27 27 fund, the inmate's deposits shall be returned to the inmate
27 28 upon discharge, parole, or placement on work release.
27 29 Otherwise, the inmate's deposits shall be disposed of as
27 30 provided in subsection 3. An inmate's deposits into the
27 31 savings fund may be used to provide the money due the inmate
27 32 upon discharge, parole, or placement on work release, as
27 33 required under section 906.9. Interest earned from the
27 34 savings fund shall be placed in a separate account, and may be
27 35 used for purchases approved by the director to directly and

28 1 collectively benefit inmates.
28 2 Sec. 57. Section 904.508A, Code 2003, is amended to read
28 3 as follows:

28 4 904.508A INMATE TELEPHONE ~~REBATE~~ FUND.

28 5 The department is authorized to establish and maintain an
28 6 inmate telephone ~~rebate~~ fund ~~in each institution~~ for the
28 7 deposit of moneys received for inmate telephone ~~rebates~~ calls.
28 8 All funds deposited in this fund shall be used for the benefit
28 9 of inmates. The director shall adopt rules providing for the
28 10 disbursement of moneys from the fund.

28 11 Sec. 58. Section 904.513, subsection 1, paragraph b,
28 12 subparagraph (4), Code 2003, is amended to read as follows:

28 13 (4) Assignment may also be made on the basis of the
28 14 offender's treatment program performance, as a disciplinary
28 15 measure, for medical needs, and for space availability at
28 16 community residential facilities. If there is insufficient
28 17 space at a community residential facility, the court may order
28 18 an offender to be released to the supervision of the judicial
28 19 district department of correctional services, ~~or held in jail,~~
28 20 ~~or committed to the custody of the director of the department~~
28 21 ~~of corrections for assignment to an appropriate correctional~~

28 22 facility until there is sufficient space at a community
28 23 residential facility.

28 24 Sec. 59. Section 904.702, unnumbered paragraph 1, Code
28 25 2003, is amended to read as follows:

28 26 If allowances are paid pursuant to section 904.701, the
28 27 director shall establish an inmate account, for deposit of
28 28 those allowances and for deposit of moneys sent to the inmate
28 29 from a source other than the department of corrections. The
28 30 director may deduct an amount, not to exceed ten percent of
28 31 the amount of the allowance, unless the inmate requests a
28 32 larger amount, to be deposited into the inmate savings fund as
28 33 required under section 904.508, subsection 2. In addition to
28 34 deducting a portion of the allowance, the director may also

28 35 deduct from an inmate account any amount, except amounts

29 1 directed to be deposited in the inmate telephone fund

29 2 established in section 904.508A, sent to the inmate from a

29 3 source other than the department of corrections for deposit in

29 4 the inmate savings fund as required under section 904.508,

29 5 subsection 2, until the amount in the fund equals the amount

29 6 due the inmate upon discharge, parole, or placement on work

29 7 release. The director shall deduct from the inmate account an

29 8 amount established by the inmate's restitution plan of

29 9 payment. The director shall also deduct from any remaining

29 10 account balance an amount sufficient to pay all or part of any

29 11 judgment against the inmate, including but not limited to

29 12 judgments for taxes and child support, and court costs and

29 13 fees assessed either as a result of the inmate's confinement

29 14 or amounts required to be paid under section 610A.1. Written

29 15 notice of the amount of the deduction shall be given to the

29 16 inmate, who shall have five days after receipt of the notice

29 17 to submit in writing any and all objections to the deduction

29 18 to the director, who shall consider the objections prior to

29 19 transmitting the deducted amount to the clerk of the district

29 20 court. The director need give only one notice for each action

29 21 or appeal under section 610A.1 for which periodic deductions

29 22 are to be made. The director shall next deduct from any

29 23 remaining account balance an amount sufficient to pay all or

29 24 part of any costs assessed against the inmate for misconduct

29 25 or damage to the property of others. The director may deduct

29 26 from the inmate's account an amount sufficient to pay for the

29 27 inmate's share of the costs of health services requested by

29 28 the inmate and for the treatment of injuries inflicted by the

29 29 inmate on the inmate or others. The director may deduct and

29 30 disburse an amount sufficient for industries' programs to

29 31 qualify under the eligibility requirements established in the

29 32 Justice Assistance Act of 1984, Pub. L. No. 98-473, including

29 33 an amount to pay all or part of the cost of the inmate's

29 34 incarceration. The director may pay all or any part of

29 35 remaining allowances paid pursuant to section 904.701 directly

30 1 to a dependent of the inmate, or may deposit the allowance to

30 2 the account of the inmate, or may deposit a portion and allow

30 3 the inmate a portion for the inmate's personal use.

30 4 Sec. 60. Section 907.4, Code 2003, is amended to read as

30 5 follows:

30 6 907.4 DEFERRED JUDGMENT DOCKET.

30 7 A deferment of judgment under section 907.3 shall be

30 8 reported promptly by the clerk of the district court, or the

30 9 clerk's designee, to the state court administrator for entry

30 10 in the deferred judgment docket. The docket shall contain a

30 11 permanent record of the deferred judgment including the name

30 12 and date of birth of the defendant, the district court docket

30 13 number, the nature of the offense, and the date of the

30 14 deferred judgment. Before granting deferred judgment in any

30 15 case, the court shall request of the state court administrator

30 16 a search of the deferred judgment docket and shall consider

30 17 any prior record of a deferred judgment against the defendant.

30 18 The permanent record provided for in this section is a

30 19 confidential record exempted from public access under section

30 20 22.7 and shall be available only to justices of the supreme

30 21 court, judges of the court of appeals, district judges,

30 22 district associate judges, judicial magistrates, clerks of the

30 23 district court, judicial district departments of correctional

30 24 services, and county attorneys requesting information pursuant

30 25 to this section, or the designee of a justice, judge,

30 26 magistrate, clerk, judicial district department of

30 27 correctional services, or county attorney.

30 28 Sec. 61. Section 907.9, subsections 1, 2, and 4, Code

30 29 2003, are amended to read as follows:

30 30 1. At any time that the court determines that the purposes

30 31 of probation have been fulfilled and the fees imposed under

30 32 section 905.14 have been paid ~~to or waived by the judicial~~

~~30 33 district department of correctional services or on condition~~
~~30 34 that unpaid supervision fees be paid~~, the court may order the

30 35 discharge of a person from probation.
31 1 2. At any time that a probation officer determines that
31 2 the purposes of probation have been fulfilled and the fees
31 3 imposed under section 905.14 have been paid ~~to or waived by~~
~~31 4 the judicial district department of correctional services or~~
~~31 5 on condition that unpaid supervision fees be paid~~, the officer
31 6 may order the discharge of a person from probation after
31 7 approval of the district director and notification of the
31 8 sentencing court and the county attorney who prosecuted the
31 9 case.

31 10 4. At the expiration of the period of probation and if the
31 11 fees imposed under section 905.14 have been paid ~~to or waived~~
~~31 12 by the judicial district department of correctional services~~
~~31 13 or on condition that unpaid supervision fees be paid~~, the
31 14 court shall order the discharge of the person from probation,
31 15 and the court shall forward to the governor a recommendation
31 16 for or against restoration of citizenship rights to that
31 17 person. A person who has been discharged from probation shall
31 18 no longer be held to answer for the person's offense. Upon
31 19 discharge from probation, if judgment has been deferred under
31 20 section 907.3, the court's criminal record with reference to
31 21 the deferred judgment shall be expunged. The record
31 22 maintained by the state court administrator as required by
31 23 section 907.4 shall not be expunged. The court's record shall
31 24 not be expunged in any other circumstances.

31 25 Sec. 62. NEW SECTION. 907B.4 INTERSTATE COMPACT FEE.
31 26 The department of corrections may assess a fee, not to
31 27 exceed one hundred dollars, for an application to transfer out
31 28 of the state under the interstate compact for adult offender
31 29 supervision. The fee may be waived by the department. The
31 30 moneys collected pursuant to this section shall be deposited
31 31 into the interstate compact fund established in section
31 32 904.117 and shall be used to offset the costs of complying
31 33 with the interstate compact for adult offender supervision.
31 34 Sec. 63. Section 910.3B, Code 2003, is amended to read as
31 35 follows:

32 1 910.3B RESTITUTION FOR DEATH OF VICTIM.
32 2 1. In all criminal cases in which the offender is
32 3 convicted of a felony in which the act or acts committed by
32 4 the offender caused the death of another person, in addition
32 5 to the amount determined to be payable and ordered to be paid
32 6 to a victim for pecuniary damages, as defined under section
32 7 910.1, and determined under section 910.3, the court shall
32 8 also order the offender to pay at least one hundred fifty
32 9 thousand dollars in restitution to the victim's estate if the
~~32 10 victim died testate. If the victim died intestate the court~~
~~32 11 shall order the offender to pay the restitution to the~~
~~32 12 victim's heirs at law as determined pursuant to section~~

~~32 13 633.210.~~ The obligation to pay the additional amount shall
32 14 not be dischargeable in any proceeding under the federal
32 15 Bankruptcy Act. Payment of the additional amount shall have
32 16 the same priority as payment of a victim's pecuniary damages
32 17 under section 910.2, in the offender's plan for restitution.

32 18 2. An award under this section does not preclude or
32 19 supersede the right of a victim's estate or heirs at law to
32 20 bring a civil action against the offender for damages arising
32 21 out of the same facts or event. However, no evidence relating
32 22 to the entry of the judgment against the offender pursuant to
32 23 this section or the amount of the award ordered pursuant to
32 24 this section shall be permitted to be introduced in any civil
32 25 action for damages arising out of the same facts or event.

32 26 3. An offender who is ordered to pay a victim's estate or
~~32 27 heirs at law~~ under this section is precluded from denying the
32 28 elements of the felony offense which resulted in the order for
32 29 payment in any subsequent civil action for damages arising out
32 30 of the same facts or event.

32 31 Sec. 64. Section 915.100, subsection 2, paragraph c, Code
32 32 2003, is amended to read as follows:

32 33 c. In cases where the act committed by an offender causes
32 34 the death of another person, in addition to the amount ordered
32 35 for payment of the victim's pecuniary damages, the court shall
33 1 also order the offender to pay at least one hundred fifty
33 2 thousand dollars in restitution to the victim's estate or
~~33 3 heirs at law~~, pursuant to the provisions of section 910.3B.

33 4 DIVISION VI
33 5 ECONOMIC DEVELOPMENT APPROPRIATIONS

33 6 Sec. 65. MARKETING APPROPRIATION.
33 7 1. There is appropriated from the grow Iowa values fund
33 8 created in section 15G.107, if enacted by 2003 Iowa Acts,

33 9 House File 692 or another Act, to the department of economic
 33 10 development, for the fiscal period beginning July 1, 2003, and
 33 11 ending June 30, 2006, the following amounts, or so much
 33 12 thereof as is necessary, to be used for the purpose
 33 13 designated:
 33 14 For implementing and administering the marketing strategy
 33 15 approved under section 15G.108, if enacted by 2003 Iowa Acts,
 33 16 House File 692 or another Act:
 33 17 FY 2003=2004..... \$ 2,500,000
 33 18 FY 2004=2005..... \$ 7,500,000
 33 19 FY 2005=2006..... \$ 10,000,000
 33 20 2. Notwithstanding section 8.33, moneys that remain
 33 21 unexpended at the end of a fiscal year shall not revert to any
 33 22 fund but shall remain available for expenditure for the
 33 23 designated purposes during the succeeding fiscal year.
 33 24 Sec. 66. DEPARTMENT OF ECONOMIC DEVELOPMENT APPROPRIATION.
 33 25 1. There is appropriated from the grow Iowa values fund
 33 26 created in section 15G.107, if enacted by 2003 Iowa Acts,
 33 27 House File 692 or another Act, to the department of economic
 33 28 development for the fiscal period beginning July 1, 2003, and
 33 29 ending June 30, 2007, the following amounts, or so much
 33 30 thereof as is necessary, to be used for the purpose
 33 31 designated:
 33 32 For programs administered by the department of economic
 33 33 development:
 33 34 FY 2003=2004..... \$ 45,000,000
 33 35 FY 2004=2005..... \$ 41,000,000
 34 1 FY 2005=2006..... \$ 44,000,000
 34 2 FY 2006=2007..... \$ 48,000,000
 34 3 2. Notwithstanding section 8.33, moneys that remain
 34 4 unexpended at the end of a fiscal year shall not revert to any
 34 5 fund but shall remain available for expenditure for the
 34 6 designated purposes during the succeeding fiscal year.
 34 7 3. Each year that moneys are appropriated under this
 34 8 section, the grow Iowa values board shall allocate a
 34 9 percentage of the moneys for each of the following types of
 34 10 activities:
 34 11 a. Business start-ups.
 34 12 b. Business expansion.
 34 13 c. Business modernization.
 34 14 d. Business attraction.
 34 15 e. Business retention.
 34 16 f. Marketing.
 34 17 4. An applicant for moneys appropriated under this section
 34 18 shall be required by the department to include in the
 34 19 application a statement regarding the intended return on
 34 20 investment. A recipient of moneys appropriated under this
 34 21 section shall annually submit a statement to the department
 34 22 regarding the progress achieved on the intended return on
 34 23 investment stated in the application. The department, in
 34 24 cooperation with the department of revenue and finance, shall
 34 25 develop a method of identifying and tracking each new job
 34 26 created through financial assistance from moneys appropriated
 34 27 under this section.
 34 28 5. The department may use moneys appropriated under this
 34 29 section to procure technical assistance from either the public
 34 30 or private sector, for information technology purposes, and
 34 31 for rail, air, or river port transportation-related purposes.
 34 32 The use of moneys appropriated for rail, air, or river port
 34 33 transportation-related purposes must be directly related to an
 34 34 economic development project and the moneys must be used to
 34 35 leverage other financial assistance moneys.
 35 1 6. Of the moneys appropriated under this section, the
 35 2 department may use one-half of one percent for administrative
 35 3 purposes.
 35 4 7. The grow Iowa values board is required to approve or
 35 5 deny applications for financial assistance from moneys
 35 6 appropriated under this section.
 35 7 Sec. 67. UNIVERSITY AND COLLEGE FINANCIAL ASSISTANCE
 35 8 APPROPRIATION.
 35 9 1. There is appropriated from the grow Iowa values fund
 35 10 created in section 15G.107, if enacted by 2003 Iowa Acts,
 35 11 House File 692 or another Act, to the grow Iowa values board
 35 12 for the fiscal period beginning July 1, 2003, and ending June
 35 13 30, 2007, the following amounts, or so much thereof as is
 35 14 necessary, to be used for the purposes designated:
 35 15 For financial assistance for institutions of higher
 35 16 learning under the control of the state board of regents and
 35 17 for accredited private institutions as defined in section
 35 18 261.9 for multiuse, goods manufacturing processes approved by
 35 19 the food and drug administration of the United States

35 20 department of health and human services, protein purification
35 21 facilities for plant, animal, and chemical manufactured
35 22 proteins; accelerating new business creation; innovation
35 23 accelerators and business parks; incubator facilities;
35 24 upgrading food and drug administration drug approval
35 25 laboratories in Iowa City to a larger multiclient, goods
35 26 manufacturing processes facility; crop and animal livestock
35 27 facilities for the growing of transgenic crops and livestock,
35 28 protein extraction facilities, containment facilities, and
35 29 bioanalytical, biochemical, chemical, and microbiological
35 30 support facilities; a national center for food safety and
35 31 security; and advanced laboratory space:

35 32	FY 2003=2004.....	\$	6,000,000
35 33	FY 2004=2005.....	\$	7,000,000
35 34	FY 2005=2006.....	\$	7,000,000
35 35	FY 2006=2007.....	\$	7,000,000

36 1 2. Notwithstanding section 8.33, moneys that remain
36 2 unexpended at the end of a fiscal year shall not revert to any
36 3 fund but shall remain available for expenditure for the
36 4 designated purposes during the succeeding fiscal year.

36 5 3. In the distribution of moneys appropriated pursuant to
36 6 this section, the grow Iowa values board shall examine the
36 7 potential for using moneys appropriated pursuant to this
36 8 section to leverage other moneys for financial assistance to
36 9 accredited private institutions.

36 10 4. In awarding moneys appropriated pursuant to this
36 11 section, the grow Iowa values board shall consider whether the
36 12 purchase of suitable existing infrastructure is more cost=
36 13 efficient than building new infrastructure.

36 14 5. An institution of higher learning under the control of
36 15 the state board of regents may apply to use financial
36 16 assistance moneys under this section for purposes of a public
36 17 and private joint venture to acquire infrastructure assets or
36 18 research facilities or to leverage moneys in a manner
36 19 consistent with meeting the goals and performance measures
36 20 provided in section 15G.106, if enacted by 2003 Iowa Acts,
36 21 House File 692 or another Act.

36 22 6. Of the moneys appropriated under this section and
36 23 provided applications are submitted meeting the requirements
36 24 of the grow Iowa values board, not less than \$10,000,000 in
36 25 financial assistance shall be awarded to the university of
36 26 Iowa, not less than \$10,000,000 in financial assistance shall
36 27 be awarded to Iowa state university of science and technology,
36 28 and not less than \$5,000,000 in financial assistance shall be
36 29 awarded to the university of northern Iowa.

36 30 Sec. 68. REHABILITATION PROJECT TAX CREDITS APPROPRIATION.

36 31 1. There is appropriated from the grow Iowa values fund
36 32 created in section 15G.107, if enacted by 2003 Iowa Acts,
36 33 House File 692 or another Act, to the general fund of the
36 34 state, for the fiscal period beginning July 1, 2005, and
36 35 ending June 30, 2007, the following amounts, or so much
37 1 thereof as is necessary, to be used for the purpose
37 2 designated:

37 3 For payment of tax credits approved pursuant to section
37 4 404A.4 for projects located in certified cultural and
37 5 entertainment districts:

37 6	FY 2005=2006.....	\$	500,000
37 7	FY 2006=2007.....	\$	500,000

37 8 2. Notwithstanding section 8.33, moneys that remain
37 9 unexpended at the end of a fiscal year shall not revert to any
37 10 fund but shall remain available for expenditure for the
37 11 designated purposes during the succeeding fiscal year.

37 12 Sec. 69. LOAN AND CREDIT GUARANTEE FUND APPROPRIATION.

37 13 1. There is appropriated from the grow Iowa values fund
37 14 created in section 15G.107, if enacted by 2003 Iowa Acts,
37 15 House File 692 or another Act, to the department of economic
37 16 development for the fiscal period beginning July 1, 2003, and
37 17 ending June 30, 2007, the following amounts, or so much
37 18 thereof as is necessary, to be used for the purpose
37 19 designated:

37 20 For deposit in the loan and credit guarantee fund created
37 21 in section 15E.227:

37 22	FY 2003=2004.....	\$	2,500,000
37 23	FY 2004=2005.....	\$	5,000,000
37 24	FY 2005=2006.....	\$	7,500,000
37 25	FY 2006=2007.....	\$	7,500,000

37 26 2. Notwithstanding section 8.33, moneys that remain
37 27 unexpended at the end of a fiscal year shall not revert to any
37 28 fund but shall remain available for expenditure for the
37 29 designated purpose during the succeeding fiscal year.

37 30 Sec. 70. ENDOW IOWA TAX CREDITS.

37 31 1. There is appropriated from the grow Iowa values fund
 37 32 created in section 15G.107, if enacted by 2003 Iowa Acts,
 37 33 House File 692 or another Act, to the general fund of the
 37 34 state, for the fiscal period beginning July 1, 2004, and
 37 35 ending June 30, 2007, the following amounts, or so much
 38 1 thereof as is necessary, to be used for the purpose
 38 2 designated:
 38 3 For payment of endow Iowa tax credits authorized pursuant
 38 4 to section 15E.305:
 38 5 FY 2004=2005..... \$ 250,000
 38 6 FY 2005=2006..... \$ 250,000
 38 7 FY 2006=2007..... \$ 500,000
 38 8 2. Notwithstanding section 8.33, moneys that remain
 38 9 unexpended at the end of a fiscal year shall not revert to any
 38 10 fund but shall remain available for expenditure for the
 38 11 designated purposes during the succeeding fiscal year.
 38 12 Sec. 71. ENDOW IOWA GRANTS APPROPRIATION.
 38 13 1. There is appropriated from the grow Iowa values fund
 38 14 created in section 15G.107, if enacted by 2003 Iowa Acts,
 38 15 House File 692 or another Act, to the department of economic
 38 16 development for the fiscal period beginning July 1, 2004, and
 38 17 ending June 30, 2007, the following amounts, or so much
 38 18 thereof as is necessary, to be used for the purpose
 38 19 designated:
 38 20 For endow Iowa grants to lead philanthropic entities
 38 21 pursuant to section 15E.304:
 38 22 FY 2004=2005..... \$ 250,000
 38 23 FY 2005=2006..... \$ 250,000
 38 24 FY 2006=2007..... \$ 500,000
 38 25 2. Notwithstanding section 8.33, moneys that remain
 38 26 unexpended at the end of a fiscal year shall not revert to any
 38 27 fund but shall remain available for expenditure for the
 38 28 designated purposes during the succeeding fiscal year.
 38 29 Sec. 72. STATE PARKS AND DESTINATION PARKS APPROPRIATION.
 38 30 1. There is appropriated from the grow Iowa values fund
 38 31 created in section 15G.107, if enacted by 2003 Iowa Acts,
 38 32 House File 692 or another Act, to the grow Iowa values board
 38 33 for the fiscal period beginning July 1, 2003, and ending June
 38 34 30, 2007, the following amount, or so much thereof as is
 38 35 necessary, to be used for the purpose designated:
 39 1 For the purpose of providing financial assistance for
 39 2 projects in targeted state parks and destination parks:
 39 3 FY 2003=2004..... \$ 500,000
 39 4 FY 2004=2005..... \$ 0
 39 5 FY 2005=2006..... \$ 0
 39 6 FY 2006=2007..... \$ 500,000
 39 7 2. Notwithstanding section 8.33, moneys that remain
 39 8 unexpended at the end of a fiscal year shall not revert to any
 39 9 fund but shall remain available for expenditure for the
 39 10 designated purposes during the succeeding fiscal year.
 39 11 3. The department of natural resources, in cooperation
 39 12 with the department of economic development, shall submit a
 39 13 plan to the grow Iowa values board for the expenditure of
 39 14 moneys appropriated under this section. The plan shall focus
 39 15 on improving state parks and destination parks for economic
 39 16 development purposes. Based on the report submitted, the grow
 39 17 Iowa values board shall provide financial assistance to the
 39 18 department of natural resources for support of state parks and
 39 19 destination parks.
 39 20 Sec. 73. IOWA CULTURAL TRUST FUND APPROPRIATION.
 39 21 1. There is appropriated from the grow Iowa values fund
 39 22 created in section 15G.107, if enacted by 2003 Iowa Acts,
 39 23 House File 692 or another Act, to the office of the treasurer
 39 24 of state, for the fiscal period beginning July 1, 2003, and
 39 25 ending June 30, 2007, the following amount, or so much thereof
 39 26 as is necessary, to be used for the purpose designated:
 39 27 For deposit in the Iowa cultural trust fund created in
 39 28 section 303A.4:
 39 29 FY 2003=2004..... \$ 500,000
 39 30 FY 2004=2005..... \$ 0
 39 31 FY 2005=2006..... \$ 0
 39 32 FY 2006=2007..... \$ 500,000
 39 33 2. Notwithstanding section 8.33, moneys that remain
 39 34 unexpended at the end of a fiscal year shall not revert to any
 39 35 fund but shall remain available for expenditure for the
 40 1 designated purposes during the succeeding fiscal year.
 40 2 Sec. 74. ANTICIPATED FEDERAL MONEYS == APPROPRIATION.
 40 3 1. There is appropriated from the fund created by section
 40 4 8.41, for the fiscal period beginning July 1, 2003, and ending
 40 5 June 30, 2005, the following amounts to be used for the
 40 6 purpose designated:

40 7 For deposit in the grow Iowa values fund created in section
40 8 15G.107, if enacted by 2003 Iowa Acts, House File 692 or
40 9 another Act:
40 10 FY 2003=2004..... \$ 59,000,000
40 11 FY 2004=2005..... \$ 41,000,000
40 12 2. Moneys appropriated in this section are moneys
40 13 anticipated to be received from the federal government for
40 14 state and local government fiscal relief under the federal
40 15 Jobs and Growth Tax Relief Reconciliation Act of 2003 and
40 16 shall be expended as provided in the federal law making the
40 17 moneys available and in conformance with chapter 17A.
40 18 3. Notwithstanding section 8.33, moneys that remain
40 19 unexpended at the end of a fiscal year shall not revert to any
40 20 fund but shall remain available for expenditure for the
40 21 designated purposes during the succeeding fiscal year.

40 22 Sec. 75. STREAMLINED SALES AND USE TAX REVENUE ==
40 23 APPROPRIATION.

40 24 1. There is appropriated from the general fund of the
40 25 state from moneys credited to the general fund of the state as
40 26 a result of entering into the streamlined sales and use tax
40 27 agreement, for the fiscal period beginning July 1, 2003, and
40 28 ending June 30, 2010, the following amounts to be used for the
40 29 purpose designated:

40 30 For deposit in the grow Iowa values fund created in section
40 31 15G.107, if enacted by 2003 Iowa Acts, House File 692 or
40 32 another Act:
40 33 FY 2003=2004..... \$ 5,000,000
40 34 FY 2004=2005..... \$ 23,000,000
40 35 FY 2005=2006..... \$ 75,000,000
41 1 FY 2006=2007..... \$ 75,000,000
41 2 FY 2007=2008..... \$ 75,000,000
41 3 FY 2008=2009..... \$ 75,000,000
41 4 FY 2009=2010..... \$ 75,000,000

41 5 2. For purposes of this section, "moneys credited to the
41 6 general fund of the state as a result of entering into the
41 7 streamlined sales and use tax agreement" means the amount of
41 8 sales and use tax receipts credited to the general fund of the
41 9 state during a fiscal year that exceeds by two percent or more
41 10 the total sales and use tax receipts credited to the general
41 11 fund of the state during the previous fiscal year.

41 12 a. If the moneys credited to the general fund of the state
41 13 as a result of entering into the streamlined sales and use tax
41 14 agreement during a fiscal year total less than the amount
41 15 appropriated in this section, the appropriation in this
41 16 section shall be reduced to equal the total amount of the
41 17 moneys so credited.

41 18 b. If the appropriation for a fiscal year is reduced
41 19 pursuant to paragraph "a", all appropriations made from the
41 20 grow Iowa values fund for the same fiscal year shall be
41 21 reduced proportionately to the amount reduced due to paragraph
41 22 "a".

41 23 3. Notwithstanding section 8.33, moneys that remain
41 24 unexpended at the end of a fiscal year shall not revert to any
41 25 fund but shall remain available for expenditure for the
41 26 designated purposes during the succeeding fiscal year.

41 27 DIVISION VII

41 28 WORKFORCE-RELATED ISSUES

41 29 Sec. 76. NEW SECTION. 260C.18A WORKFORCE TRAINING AND
41 30 ECONOMIC DEVELOPMENT FUNDS.

41 31 1. a. A workforce training and economic development fund
41 32 is created for each community college. Moneys shall be
41 33 deposited and expended from a fund as provided under this
41 34 section.

41 35 b. Moneys in the funds shall consist of any moneys
42 1 appropriated by the general assembly and any other moneys
42 2 available to and obtained or accepted by the department of
42 3 economic development from federal sources or private sources
42 4 for placement in the funds. Notwithstanding section 8.33,
42 5 moneys in the funds at the end of each fiscal year shall not
42 6 revert to any other fund but shall remain in the funds for
42 7 expenditure in subsequent fiscal years.

42 8 2. On July 1 of each year for the fiscal year beginning
42 9 July 1, 2003, and for every fiscal year thereafter, moneys
42 10 from the grow Iowa values fund created in section 15G.107, if
42 11 enacted by 2003 Iowa Acts, House File 692 or another Act, are
42 12 appropriated to the department of economic development for
42 13 deposit in the workforce training and economic development
42 14 funds in amounts determined pursuant to subsection 3. Moneys
42 15 deposited in the funds and disbursed to community colleges for
42 16 a fiscal year shall be expended for the following purposes,
42 17 provided seventy percent of the moneys shall be used on

42 18 projects in the areas of advanced manufacturing, information
42 19 technology and insurance, and life sciences which include the
42 20 areas of biotechnology, health care technology, and nursing
42 21 care technology:

42 22 a. Projects in which an agreement between a community
42 23 college and an employer located within the community college's
42 24 merged area meet all of the requirements of the accelerated
42 25 career education program under chapter 260G.

42 26 b. Projects in which an agreement between a community
42 27 college and a business meet all the requirements of the Iowa
42 28 jobs training Act under chapter 260F.

42 29 c. For the development and implementation of career
42 30 academies designed to provide new career preparation
42 31 opportunities for high school students that are formally
42 32 linked with postsecondary career and technical education
42 33 programs. For purposes of this section, "career academy"
42 34 means a program of study that combines a minimum of two years
42 35 of secondary education with an associate degree, or the
43 1 equivalent, career preparatory program in a nonduplicative,
43 2 sequential course of study that is standards based, integrates
43 3 academic and technical instruction, utilizes work-based and
43 4 worksite learning where appropriate and available, utilizes an
43 5 individual career planning process with parent involvement,
43 6 and leads to an associate degree or postsecondary diploma or
43 7 certificate in a career field that prepares an individual for
43 8 entry and advancement in a high-skill and reward career field
43 9 and further education. The department of economic
43 10 development, in conjunction with the state board of education
43 11 and the division of community colleges and workforce
43 12 preparation of the department of education, shall adopt
43 13 administrative rules for the development and implementation of
43 14 such career academies pursuant to section 256.11, subsection
43 15 5, paragraph "h", section 260C.1, and Title II of Pub. L. No.
43 16 105=332, Carl D. Perkins Vocational and Technical Education
43 17 Act of 1998.

43 18 d. Programs and courses that provide vocational and
43 19 technical training, and programs for in-service training and
43 20 retraining under section 260C.1, subsections 2 and 3.

43 21 e. Job retention projects under section 260F.9.

43 22 3. Of the moneys appropriated in this section, for the
43 23 fiscal period beginning July 1, 2003, and ending June 30,
43 24 2006, the following amounts shall be designated for the
43 25 purposes of funding job retention projects under section
43 26 260F.9:

43 27 a. One million dollars for the fiscal year beginning July
43 28 1, 2003.

43 29 b. One million dollars for the fiscal year beginning July
43 30 1, 2004.

43 31 c. One million dollars for the fiscal year beginning July
43 32 1, 2005.

43 33 4. The maximum cumulative total amount of moneys that may
43 34 be deposited in all the workforce training and economic
43 35 development funds for distribution to community colleges in a
44 1 fiscal year shall be determined as follows:

44 2 a. Five million dollars for the fiscal year beginning July
44 3 1, 2003.

44 4 b. Five million dollars for the fiscal year beginning July
44 5 1, 2004.

44 6 c. Five million dollars for the fiscal year beginning July
44 7 1, 2005.

44 8 d. Ten million dollars for the fiscal year beginning July
44 9 1, 2006.

44 10 e. For the fiscal year beginning July 1, 2007, and each
44 11 succeeding fiscal year, the grow Iowa values board shall make
44 12 a determination if sufficient moneys exist in the grow Iowa
44 13 values fund to distribute to community colleges.

44 14 5. The department of economic development shall allocate
44 15 the moneys appropriated pursuant to this section to the
44 16 community college workforce training and economic development
44 17 funds utilizing the same distribution formula used for the
44 18 allocation of state general aid to the community colleges.

44 19 6. Each community college shall do all of the following:

44 20 a. Adopt a two-year workforce training and economic
44 21 development fund plan outlining the community college's
44 22 proposed use of moneys appropriated under subsection 2.

44 23 b. Update the two-year plan annually.

44 24 c. Prepare an annual progress report on the two-year
44 25 plan's implementation.

44 26 d. Annually submit the two-year plan and progress report
44 27 to the department of economic development in a manner
44 28 prescribed by rules adopted by the department pursuant to

chapter 17A and annually file a copy of the plan and progress report with the grow Iowa values board. For the fiscal year beginning July 1, 2004, and each fiscal year thereafter, a community college shall not have moneys deposited in the workforce training and economic development fund of that community college unless the grow Iowa values board approves the annual progress report of the community college.

7. Any individual project using over one million dollars of moneys from a workforce training and economic development fund shall require prior approval from the grow Iowa values board.

Sec. 77. NEW SECTION. 260F.9 JOB RETENTION PROGRAM.

1. The department of economic development shall administer the job retention program. The department shall adopt rules pursuant to chapter 17A necessary for the administration of this section. By January 15 of each year, the department shall submit a written report to the general assembly and the governor regarding the activities of the job retention program during the previous calendar year.

2. A community college and the department may enter into an agreement to establish a job retention project. A job retention project agreement shall include, but not be limited to, the following:

a. The date of the agreement.

b. The anticipated number of employees to be trained.

c. The estimated cost of training.

d. A statement regarding the number of employees employed by the participating business on the date of the agreement which must equal at least the lesser of one thousand employees or four percent or more of the county's resident labor force based on the most recent annual labor force statistics from the department of workforce development.

e. A commitment that the participating business shall invest at least fifteen million dollars to retool the workplace and upgrade the facilities of the participating business.

f. A commitment that the participating business shall not move the business operation out of this state or close the business operation for at least ten years following the date of the agreement.

g. Other criteria established by the department of economic development.

3. A job retention project agreement entered into pursuant to this section must be approved by the board of trustees of the applicable community college, the department of economic development, and the participating business.

Sec. 78. NEW SECTION. 260F.101 REPORTING.

A community college entering into an agreement pursuant to this chapter shall submit an annual written report by the end of each calendar year with the grow Iowa values board created in section 15G.102, if enacted by 2003 Iowa Acts, House File 692 or another Act. The report shall provide information regarding how the agreement affects the achievement of the goals and performance measures provided in section 15G.106, if enacted by 2003 Iowa Acts, House File 692 or another Act.

Sec. 79. Section 260G.3, subsection 2, Code 2003, is amended to read as follows:

2. An agreement may include reasonable and necessary provisions to implement the accelerated career education program. If an agreement that utilizes program job credits is entered into, the community college and the employer shall notify the department of revenue and finance as soon as possible. The community college shall also file a copy of the agreement with the department of economic development as required in section 260G.4B. The agreement shall provide for program costs, including deferred costs, which may be paid from any of the following sources:

a. Program job credits which the employer receives based on the number of program job positions agreed to by the employer to be available under the agreement.

b. Cash or in-kind contributions by the employer toward the program cost. At a minimum, the employer contribution shall be twenty percent of the program costs.

c. Tuition, student fees, or special charges fixed by the board of directors to defray program costs.

d. Guarantee by the employer of payments to be received under paragraphs "a" and "b".

e. Moneys from a workforce training and economic

development fund created in section 260C.18A, based on the

number of program job positions agreed to by the employer to

be available under the agreement, the amount of which shall be

47 5 calculated in the same manner as the program job credits
47 6 provided for in section 260G.4A.

47 7 Sec. 80. NEW SECTION. 260G.101 REPORTING.
47 8 A community college entering into an agreement pursuant to
47 9 this chapter shall submit an annual written report by the end
47 10 of each calendar year with the grow Iowa values board created
47 11 in section 15G.102, if enacted by 2003 Iowa Acts, House File
47 12 692 or another Act. The report shall provide information
47 13 regarding how the agreement affects the achievement of the
47 14 goals and performance measures provided in section 15G.106, if
47 15 enacted by 2003 Iowa Acts, House File 692 or another Act.

47 16 DIVISION VIII
47 17 LOAN AND CREDIT GUARANTEE FUND
47 18 Sec. 81. NEW SECTION. 15E.227 LOAN AND CREDIT GUARANTEE
47 19 FUND.

47 20 1. A loan and credit guarantee fund is created and
47 21 established as a separate and distinct fund in the state
47 22 treasury. Moneys in the fund shall only be used for purposes
47 23 provided in this section. The moneys in the fund are
47 24 appropriated to the department to be used for all of the
47 25 following purposes:

47 26 a. Payment of claims pursuant to loan and credit guarantee
47 27 agreements entered into under this division.
47 28 b. Payment of administrative costs of the department for
47 29 actual and necessary administrative expenses incurred by the
47 30 department in administering the program.
47 31 c. Purchase or buyout of superior or prior liens,
47 32 mortgages, or security interests.
47 33 d. Purchase of insurance to cover the default of loans
47 34 made pursuant to the requirements of the loan and credit
47 35 guarantee program.

48 1 2. Moneys in the loan and credit guarantee fund shall
48 2 consist of all of the following:

48 3 a. Moneys appropriated by the general assembly for that
48 4 purpose and any other moneys available to and obtained or
48 5 accepted by the department for placement in the fund.

48 6 b. Proceeds from collateral assigned to the department,
48 7 fees for guarantees, gifts, and moneys from any grant made to
48 8 the fund by any federal agency.

48 9 c. Moneys appropriated from the grow Iowa values fund
48 10 created in section 15G.107, if enacted by 2003 Iowa Acts,
48 11 House File 692 or another Act.

48 12 3. Moneys in the fund are not subject to section 8.33.
48 13 Notwithstanding section 12C.7, interest or earnings on the
48 14 moneys in the fund shall be credited to the fund.

48 15 4. a. The department shall only pledge moneys in the loan
48 16 and credit guarantee fund and not any other moneys of the
48 17 department. In a fiscal year, the department may pledge an
48 18 amount not to exceed the total amount appropriated to the fund
48 19 for the same fiscal year to assure the repayment of loan and
48 20 credit guarantees or other extensions of credit made to or on
48 21 behalf of qualified businesses or targeted industry businesses
48 22 for eligible project costs.

48 23 b. The department shall not pledge the credit or taxing
48 24 power of this state or any political subdivision of this state
48 25 or make debts payable out of any moneys except for those in
48 26 the loan and credit guarantee fund.

48 27 DIVISION IX
48 28 UNIVERSITY=BASED RESEARCH UTILIZATION
48 29 PROGRAM APPROPRIATION

48 30 Sec. 82. NEW SECTION. 262B.12 APPROPRIATION.

48 31 On July 1 of each year there is appropriated from the
48 32 general fund of the state to each university under the control
48 33 of the state board of regents, an amount equal to the amount
48 34 determined by the department of economic development pursuant
48 35 to section 262B.11, subsection 4, paragraph "c", subparagraph
49 1 (2), if enacted by 2003 Iowa Acts, House File 692 or another
49 2 Act.

49 3 DIVISION X
49 4 ENDOW IOWA TAX CREDIT

49 5 Sec. 83. NEW SECTION. 15E.305 ENDOW IOWA TAX CREDIT.

49 6 1. For tax years beginning on or after January 1, 2003, a
49 7 tax credit shall be allowed against the taxes imposed in
49 8 chapter 422, divisions II, III, and V, and in chapter 432, and
49 9 against the moneys and credits tax imposed in section 533.24
49 10 equal to twenty percent of a taxpayer's endowment gift to a
49 11 qualified community foundation. An individual may claim a tax
49 12 credit under this section of a partnership, limited liability
49 13 company, S corporation, estate, or trust electing to have
49 14 income taxed directly to the individual. The amount claimed
49 15 by the individual shall be based upon the pro rata share of

49 16 the individual's earnings from the partnership, limited
49 17 liability company, S corporation, estate, or trust. A tax
49 18 credit shall be allowed only for an endowment gift made to a
49 19 qualified community foundation for a permanent endowment fund
49 20 established to benefit a charitable cause in this state. Any
49 21 tax credit in excess of the taxpayer's tax liability for the
49 22 tax year may be credited to the tax liability for the
49 23 following five years or until depleted, whichever occurs
49 24 first. A tax credit shall not be carried back to a tax year
49 25 prior to the tax year in which the taxpayer claims the tax
49 26 credit.

49 27 2. The aggregate amount of tax credits authorized pursuant
49 28 to this section shall not exceed a total of two million
49 29 dollars. The maximum amount of tax credits granted to a
49 30 taxpayer shall not exceed five percent of the aggregate amount
49 31 of tax credits authorized.

49 32 3. A tax credit shall not be transferable to any other
49 33 taxpayer.

49 34 4. A tax credit shall not be authorized pursuant to this
49 35 section after December 31, 2005.

50 1 5. The department shall develop a system for registration
50 2 and authorization of tax credits under this section and shall
50 3 control the distribution of all tax credits to taxpayers
50 4 providing an endowment gift subject to this section. The
50 5 department shall adopt administrative rules pursuant to
50 6 chapter 17A for the qualification and administration of
50 7 endowment gifts.

50 8 Sec. 84. NEW SECTION. 422.11H ENDOW IOWA TAX CREDIT.

50 9 The tax imposed under this division, less the credits
50 10 allowed under sections 422.12 and 422.12B, shall be reduced by
50 11 an endow Iowa tax credit authorized pursuant to section
50 12 15E.305.

50 13 Sec. 85. Section 422.33, Code 2003, is amended by adding
50 14 the following new subsection:

50 15 NEW SUBSECTION. 14. The taxes imposed under this division
50 16 shall be reduced by an endow Iowa tax credit authorized
50 17 pursuant to section 15E.305.

50 18 Sec. 86. Section 422.60, Code 2003, is amended by adding
50 19 the following new subsection:

50 20 NEW SUBSECTION. 7. The taxes imposed under this division
50 21 shall be reduced by an endow Iowa tax credit authorized
50 22 pursuant to section 15E.305.

50 23 Sec. 87. NEW SECTION. 432.12D ENDOW IOWA TAX CREDIT.

50 24 The tax imposed under this chapter shall be reduced by an
50 25 endow Iowa tax credit authorized pursuant to section 15E.305.

50 26 Sec. 88. Section 533.24, Code 2003, is amended by adding
50 27 the following new unnumbered paragraph:

50 28 NEW UNNUMBERED PARAGRAPH. The moneys and credits tax
50 29 imposed under this section shall be reduced by an endow Iowa
50 30 tax credit authorized pursuant to section 15E.305.

50 31 Sec. 89. EFFECTIVE AND RETROACTIVE APPLICABILITY DATES.

50 32 This division of this Act, being deemed of immediate
50 33 importance, takes effect upon enactment and is retroactively
50 34 applicable to January 1, 2003, for tax years beginning on or
50 35 after that date.

51 1 DIVISION XI

51 2 REHABILITATION PROJECT TAX CREDITS

51 3 Sec. 90. Section 404A.4, subsection 4, Code 2003, is
51 4 amended to read as follows:

51 5 4. The total amount of tax credits that may be approved
51 6 for a fiscal year under this chapter shall not exceed two
51 7 million four hundred thousand dollars. For the fiscal years
51 8 beginning July 1, 2005, and July 1, 2006, an additional five
51 9 hundred thousand dollars of tax credits may be approved each
51 10 fiscal year for purposes of projects located in cultural and
51 11 entertainment districts certified pursuant to section 303.3B,
51 12 if enacted by 2003 Iowa Acts, House File 692 or another Act.
51 13 Any of the additional tax credits allocated for projects
51 14 located in certified cultural and entertainment districts that
51 15 are not approved during a fiscal year may be carried over to
51 16 the succeeding fiscal year. Tax credit certificates shall be

51 17 issued on the basis of the earliest awarding of certifications
51 18 of completion as provided in subsection 1. The departments of
51 19 economic development and revenue and finance shall each adopt
51 20 rules to jointly administer this subsection and shall provide
51 21 by rule for the method to be used to determine for which
51 22 fiscal year the tax credits are approved.

51 23 DIVISION XII

51 24 STATE ASSISTANCE FOR EDUCATIONAL INFRASTRUCTURE FUND

51 25 Sec. 91. Section 8.57, subsection 5, Code 2003, is amended
51 26 by adding the following new paragraph:

51 27 NEW PARAGRAPH. f. There is appropriated from the rebuild
51 28 Iowa infrastructure fund to the secure an advanced vision for
51 29 education fund created in section 422E.3A, for each fiscal
51 30 year of the fiscal period beginning July 1, 2004, and ending
51 31 June 30, 2014, the amount of the moneys in excess of the first
51 32 forty-seven million dollars credited to the rebuild Iowa
51 33 infrastructure fund during the fiscal year, not to exceed ten
51 34 million dollars.

51 35 Sec. 92. NEW SECTION. 292A.3A APPROPRIATION.

52 1 There is appropriated from the general fund of the state
52 2 from moneys credited to the general fund of the state as a
52 3 result of the state entering into the streamlined sales and
52 4 use tax agreement to the secure an advanced vision for
52 5 education fund created in section 422E.3A, the sum of five
52 6 million dollars for each fiscal year of the fiscal period
52 7 beginning July 1, 2004, and ending June 30, 2014. The
52 8 appropriation in this section shall be made after the
52 9 appropriation from the same source to the grow Iowa fund
52 10 created in 2003 Iowa Acts, House File 692 or another Act. For
52 11 purposes of this section, "moneys credited to the general fund
52 12 of the state as a result of entering into the streamlined
52 13 sales and use tax agreement" means the amount of sales and use
52 14 tax receipts credited to the general fund of the state during
52 15 a fiscal year that exceeds by two percent or more the total
52 16 sales and use tax receipts credited to the general fund of the
52 17 state during the previous fiscal year.

52 18 DIVISION XIII

52 19 REPEALS

52 20 Sec. 93. The divisions of this Act designated economic
52 21 development appropriations, workforce-related issues, loan and
52 22 credit guarantee fund, university-based research utilization
52 23 program appropriation, endow Iowa tax credit, and
52 24 rehabilitation project tax credits are repealed effective June
52 25 30, 2010.

52 26 DIVISION XIV

52 27 STREAMLINED SALES AND USE TAXES

52 28 SUBCHAPTER I

52 29 DEFINITIONS

52 30 Sec. 94. NEW SECTION. 423.1 DEFINITIONS.

52 31 As used in this chapter the following words, terms, and
52 32 phrases have the meanings ascribed to them by this section,
52 33 except where the context clearly indicates that a different
52 34 meaning is intended:

52 35 1. "Agent" means a person appointed by a seller to
53 1 represent the seller before the member states.

53 2 2. "Agreement" means the streamlined sales and use tax
53 3 agreement authorized by subchapter IV of this chapter to
53 4 provide a mechanism for establishing and maintaining a
53 5 cooperative, simplified system for the application and
53 6 administration of sales and use taxes.

53 7 3. "Agricultural production" includes the production of
53 8 flowering, ornamental, or vegetable plants in commercial
53 9 greenhouses or otherwise, and production from aquaculture.
53 10 "Agricultural products" includes flowering, ornamental, or
53 11 vegetable plants and those products of aquaculture.

53 12 4. "Business" includes any activity engaged in by any
53 13 person or caused to be engaged in by the person with the
53 14 object of gain, benefit, or advantage, either direct or
53 15 indirect.

53 16 5. "Certificate of title" means a certificate of title
53 17 issued for a vehicle or for manufactured housing under chapter
53 18 321.

53 19 6. "Certified automated system" means software certified
53 20 under the agreement to calculate the tax imposed by each
53 21 jurisdiction on a transaction, determine the amount of tax to
53 22 remit to the appropriate state, and maintain a record of the
53 23 transaction.

53 24 7. "Certified service provider" means an agent certified
53 25 under the agreement to perform all of a seller's sales or use
53 26 tax functions, other than the seller's obligation to remit tax
53 27 on its own purchases.

53 28 8. "Computer" means an electronic device that accepts
53 29 information in digital or similar form and manipulates the
53 30 information for a result based on a sequence of instructions.

53 31 9. "Computer software" means a set of coded instructions
53 32 designed to cause a computer or automatic data processing
53 33 equipment to perform a task.

53 34 10. "Delivered electronically" means delivered to the
53 35 purchaser by means other than tangible storage media.

54 1 11. "Delivery charges" means charges assessed by a seller
54 2 of personal property or services for preparation and delivery

54 3 to a location designated by the purchaser of personal property
54 4 or services including, but not limited to, transportation,
54 5 shipping, postage, handling, crating, and packing charges.
54 6 12. "Department" means the department of revenue and
54 7 finance.
54 8 13. "Direct mail" means printed material delivered or
54 9 distributed by United States mail or other delivery service to
54 10 a mass audience or to addressees on a mailing list provided by
54 11 the purchaser or at the direction of the purchaser when the
54 12 cost of the items is not billed directly to the recipients.
54 13 "Direct mail" includes tangible personal property supplied
54 14 directly or indirectly by the purchaser to the direct mail
54 15 seller for inclusion in the package containing the printed
54 16 material. "Direct mail" does not include multiple items of
54 17 printed material delivered to a single address.
54 18 14. "Director" means the director of revenue and finance.
54 19 15. "Electronic" means relating to technology having
54 20 electrical, digital, magnetic, wireless, optical,
54 21 electromagnetic, or similar capabilities.
54 22 16. "Farm deer" means the same as defined in section
54 23 189A.2.
54 24 17. "Farm machinery and equipment" means machinery and
54 25 equipment used in agricultural production.
54 26 18. "First use of a service". A "first use of a service"
54 27 occurs, for the purposes of this chapter, when a service is
54 28 rendered, furnished, or performed in Iowa or if rendered,
54 29 furnished, or performed outside of Iowa, when the product or
54 30 result of the service is used in Iowa.
54 31 19. "Goods, wares, or merchandise" means the same as
54 32 tangible personal property.
54 33 20. "Governing board" means the group comprised of
54 34 representatives of the member states of the agreement which is
54 35 created by the agreement to be responsible for the agreement's
55 1 administration and operation.
55 2 21. "Installed purchase price" is the amount charged,
55 3 valued in money whether paid in money or otherwise, by a
55 4 building contractor to convert manufactured housing from
55 5 tangible personal property into realty. "Installed purchase
55 6 price" includes, but is not limited to, amounts charged for
55 7 installing a foundation and electrical and plumbing hookups.
55 8 "Installed purchase price" excludes any amount charged for
55 9 landscaping in connection with the conversion.
55 10 22. "Lease or rental".
55 11 a. "Lease or rental" means any transfer of possession or
55 12 control of tangible personal property for a fixed or
55 13 indeterminate term for consideration. A "lease or rental" may
55 14 include future options to purchase or extend.
55 15 b. "Lease or rental" includes agreements covering motor
55 16 vehicles and trailers when the amount of consideration may be
55 17 increased or decreased by reference to the amount realized
55 18 upon sale or disposition of the property as defined in 26
55 19 U.S.C. } 7701(h)(1).
55 20 c. "Lease or rental" does not include any of the
55 21 following:
55 22 (1) A transfer of possession or control of property under
55 23 a security agreement or deferred payment plan that requires
55 24 the transfer of title upon completion of the required
55 25 payments.
55 26 (2) A transfer of possession or control of property under
55 27 an agreement that requires the transfer of title upon
55 28 completion of required payments, and payment of any option
55 29 price does not exceed the greater of one hundred dollars or
55 30 one percent of the total required payments.
55 31 (3) Providing tangible personal property along with an
55 32 operator for a fixed or indeterminate period of time. A
55 33 condition of this exclusion is that the operator is necessary
55 34 for the equipment to perform as designed. For the purpose of
55 35 this subparagraph, an operator must do more than maintain,
56 1 inspect, or set up the tangible personal property.
56 2 d. This definition shall be used for sales and use tax
56 3 purposes regardless of whether a transaction is characterized
56 4 as a lease or rental under generally accepted accounting
56 5 principles, the Internal Revenue Code, the Uniform Commercial
56 6 Code, or other provisions of federal, state, or local law.
56 7 23. "Livestock" includes but is not limited to an animal
56 8 classified as an ostrich, rhea, emu, bison, or farm deer.
56 9 24. "Manufactured housing" means "manufactured home" as
56 10 defined in section 321.1.
56 11 25. "Member state" is any state which has signed the
56 12 agreement.
56 13 26. "Mobile home" means "manufactured or mobile home" as

56 14 defined in section 321.1.

56 15 27. "Model 1 seller" is a seller that has selected a
56 16 certified service provider as its agent to perform all the
56 17 seller's sales and use tax functions, other than the seller's
56 18 obligation to remit tax on its own purchases.

56 19 28. "Model 2 seller" is a seller that has selected a
56 20 certified automated system to perform part of its sales and
56 21 use tax functions, but retains responsibility for remitting
56 22 the tax.

56 23 29. "Model 3 seller" is a seller that has sales in at
56 24 least five member states, has total annual sales revenue of at
56 25 least five hundred million dollars, has a proprietary system
56 26 that calculates the amount of tax due each jurisdiction, and
56 27 has entered into a performance agreement with the member
56 28 states that establishes a tax performance standard for the
56 29 seller. As used in this definition, a "seller" includes an
56 30 affiliated group of sellers using the same proprietary system.

56 31 30. "Nonresidential commercial operations" means
56 32 industrial, commercial, mining, or agricultural operations,
56 33 whether for profit or not, but does not include apartment
56 34 complexes or mobile home parks.

56 35 31. "Not registered under the agreement" means lack of
57 1 registration by a seller with the member states under the
57 2 central registration system referenced in section 423.11,
57 3 subsection 4.

57 4 32. "Person" means an individual, trust, estate,
57 5 fiduciary, partnership, limited liability company, limited
57 6 liability partnership, corporation, or any other legal entity.

57 7 33. "Place of business" means any warehouse, store, place,
57 8 office, building, or structure where goods, wares, or
57 9 merchandise are offered for sale at retail or where any
57 10 taxable amusement is conducted, or each office where gas,
57 11 water, heat, communication, or electric services are offered
57 12 for sale at retail.

57 13 When a retailer or amusement operator sells merchandise by
57 14 means of vending machines or operates music or amusement
57 15 devices by coin-operated machines at more than one location
57 16 within the state, the office, building, or place where the
57 17 books, papers, and records of the taxpayer are kept shall be
57 18 deemed to be the taxpayer's place of business.

57 19 34. "Prewritten computer software" includes software
57 20 designed and developed by the author or other creator to the
57 21 specifications of a specific purchaser when it is sold to a
57 22 person other than the purchaser. The combining of two or more
57 23 prewritten computer software programs or prewritten portions
57 24 of prewritten programs does not cause the combination to be
57 25 other than prewritten computer software. "Prewritten computer
57 26 software" also means computer software, including prewritten
57 27 upgrades, which is not designed and developed by the author or
57 28 other creator to the specifications of a specific purchaser.

57 29 When a person modifies or enhances computer software of
57 30 which the person is not the author or creator, the person
57 31 shall be deemed to be the author or creator only of such
57 32 person's modifications or enhancements. Prewritten computer
57 33 software or a prewritten portion of the prewritten software
57 34 that is modified or enhanced to any degree, when such
57 35 modification or enhancement is designed and developed to the
58 1 specifications of a specific purchaser, remains prewritten
58 2 computer software. However, when there is a reasonable,
58 3 separately stated charge or an invoice or other statement of
58 4 the price given to the purchaser for such modification or
58 5 enhancement, such modification or enhancement shall not
58 6 constitute prewritten computer software.

58 7 35. "Property purchased for resale in connection with the
58 8 performance of a service" means property which is purchased
58 9 for resale in connection with the rendition, furnishing, or
58 10 performance of a service by a person who renders, furnishes,
58 11 or performs the service if all of the following occur:

58 12 a. The provider and user of the service intend that a sale
58 13 of the property will occur.

58 14 b. The property is transferred to the user of the service
58 15 in connection with the performance of the service in a form or
58 16 quantity capable of a fixed or definite price value.

58 17 c. The sale is evidenced by a separate charge for the
58 18 identifiable piece of property.

58 19 36. "Purchase" means any transfer, exchange, or barter,
58 20 conditional or otherwise, in any manner or by any means
58 21 whatsoever, for a consideration.

58 22 37. "Purchase price" means the same as "sales price" as
58 23 defined in this section.

58 24 38. "Purchaser" is a person to whom a sale of personal

58 25 property is made or to whom a service is furnished.
58 26 39. "Receive" and "receipt" mean any of the following:
58 27 a. Taking possession of tangible personal property.
58 28 b. Making first use of a service.
58 29 c. Taking possession or making first use of digital goods,
58 30 whichever comes first.
58 31 "Receive" and "receipt" do not include possession by a
58 32 shipping company on behalf of a purchaser.
58 33 40. "Registered under the agreement" means registration by
58 34 a seller under the central registration system referenced in
58 35 section 423.11, subsection 4.
59 1 41. "Relief agency" means the state, any county, city and
59 2 county, city, or district thereof, or any agency engaged in
59 3 actual relief work.
59 4 42. "Retailer" means and includes every person engaged in
59 5 the business of selling tangible personal property or taxable
59 6 services at retail, or the furnishing of gas, electricity,
59 7 water, or communication service, and tickets or admissions to
59 8 places of amusement and athletic events or operating amusement
59 9 devices or other forms of commercial amusement from which
59 10 revenues are derived. However, when in the opinion of the
59 11 director it is necessary for the efficient administration of
59 12 this chapter to regard any salespersons, representatives,
59 13 truckers, peddlers, or canvassers as agents of the dealers,
59 14 distributors, supervisors, employers, or persons under whom
59 15 they operate or from whom they obtain tangible personal
59 16 property sold by them irrespective of whether or not they are
59 17 making sales on their own behalf or on behalf of such dealers,
59 18 distributors, supervisors, employers, or persons, the director
59 19 may so regard them, and may regard such dealers, distributors,
59 20 supervisors, employers, or persons as retailers for the
59 21 purposes of this chapter. "Retailer" includes a seller
59 22 obligated to collect sales or use tax.
59 23 43. "Retailer maintaining a place of business in this
59 24 state" or any like term includes any retailer having or
59 25 maintaining within this state, directly or by a subsidiary, an
59 26 office, distribution house, sales house, warehouse, or other
59 27 place of business, or any representative operating within this
59 28 state under the authority of the retailer or its subsidiary,
59 29 irrespective of whether that place of business or
59 30 representative is located here permanently or temporarily, or
59 31 whether the retailer or subsidiary is admitted to do business
59 32 within this state pursuant to chapter 490.
59 33 44. "Retailers who are not model sellers" means all
59 34 retailers other than model 1, model 2, or model 3 sellers.
59 35 45. "Retail sale" or "sale at retail" means any sale,
60 1 lease, or rental for any purpose other than resale, sublease,
60 2 or subrent.
60 3 46. "Sales" or "sale" means any transfer, exchange, or
60 4 barter, conditional or otherwise, in any manner or by any
60 5 means whatsoever, for consideration.
60 6 47. "Sales price" applies to the measure subject to sales
60 7 tax.
60 8 a. "Sales price" means the total amount of consideration,
60 9 including cash, credit, property, and services, for which
60 10 personal property or services are sold, leased, or rented,
60 11 valued in money, whether received in money or otherwise,
60 12 without any deduction for any of the following:
60 13 (1) The seller's cost of the property sold.
60 14 (2) The cost of materials used, labor or service cost,
60 15 interest, losses, all costs of transportation to the seller,
60 16 all taxes imposed on the seller, and any other expenses of the
60 17 seller.
60 18 (3) Charges by the seller for any services necessary to
60 19 complete the sale, other than delivery and installation
60 20 charges.
60 21 (4) Delivery charges.
60 22 (5) Installation charges.
60 23 (6) The value of exempt personal property given to the
60 24 purchaser where taxable and exempt personal property have been
60 25 bundled together and sold by the seller as a single product or
60 26 piece of merchandise.
60 27 (7) Credit for any trade-in authorized by section 423.3,
60 28 subsection 58.
60 29 b. "Sales price" does not include:
60 30 (1) Discounts, including cash, term, or coupons that are
60 31 not reimbursed by a third party that are allowed by a seller
60 32 and taken by a purchaser on a sale.
60 33 (2) Interest, financing, and carrying charges from credit
60 34 extended on the sale of personal property or services, if the
60 35 amount is separately stated on the invoice, bill of sale, or

61 1 similar document given to the purchaser.
61 2 (3) Any taxes legally imposed directly on the consumer
61 3 that are separately stated on the invoice, bill of sale, or
61 4 similar document given to the purchaser.
61 5 (4) The amounts received for charges included in paragraph
61 6 "a", subparagraphs (3) through (7), if they are separately
61 7 contracted for and separately stated on the invoice, billing,
61 8 or similar document given to the purchaser.
61 9 48. "Sales tax" means the tax levied under subchapter II
61 10 of this chapter.
61 11 49. "Seller" means any person making sales, leases, or
61 12 rentals of personal property or services.
61 13 50. "Services" means all acts or services rendered,
61 14 furnished, or performed, other than services used in
61 15 processing of tangible personal property for use in retail
61 16 sales or services, for an employer, as defined in section
61 17 422.4, subsection 3, for a valuable consideration by any
61 18 person engaged in any business or occupation specifically
61 19 enumerated in section 423.2. The tax shall be due and
61 20 collectible when the service is rendered, furnished, or
61 21 performed for the ultimate user of the service.
61 22 51. "Services used in the processing of tangible personal
61 23 property" includes the reconditioning or repairing of tangible
61 24 personal property of the type normally sold in the regular
61 25 course of the retailer's business and which is held for sale.
61 26 52. "State" means any state of the United States and the
61 27 District of Columbia.
61 28 53. "System" means the central electronic registration
61 29 system maintained by Iowa and other states which are
61 30 signatories to the agreement.
61 31 54. "Tangible personal property" means personal property
61 32 that can be seen, weighed, measured, felt, or touched, or that
61 33 is in any other manner perceptible to the senses. "Tangible
61 34 personal property" includes electricity, water, gas, steam,
61 35 and prewritten computer software.
62 1 55. "Taxpayer" includes any person who is subject to a tax
62 2 imposed by this chapter, whether acting on the person's own
62 3 behalf or as a fiduciary.
62 4 56. "Trailer" shall mean every trailer, as is now or may
62 5 be hereafter so defined by chapter 321, which is required to
62 6 be registered or is subject only to the issuance of a
62 7 certificate of title under chapter 321.
62 8 57. "Use" means and includes the exercise by any person of
62 9 any right or power over tangible personal property incident to
62 10 the ownership of that property. A retailer's or building
62 11 contractor's sale of manufactured housing for use in this
62 12 state, whether in the form of tangible personal property or of
62 13 realty, is a use of that property for the purposes of this
62 14 chapter.
62 15 58. "Use tax" means the tax levied under subchapter III of
62 16 this chapter for which the retailer collects and remits tax to
62 17 the department.
62 18 59. "User" means the immediate recipient of the services
62 19 who is entitled to exercise a right of power over the product
62 20 of such services.
62 21 60. "Value of services" means the price to the user
62 22 exclusive of any direct tax imposed by the federal government
62 23 or by this chapter.
62 24 61. "Vehicles subject to registration" means any vehicle
62 25 subject to registration pursuant to section 321.18.
62 26 SUBCHAPTER II
62 27 SALES TAX
62 28 Sec. 95. NEW SECTION. 423.2 TAX IMPOSED.
62 29 1. There is imposed a tax of five percent upon the sales
62 30 price of all sales of tangible personal property, consisting
62 31 of goods, wares, or merchandise, sold at retail in the state
62 32 to consumers or users except as otherwise provided in this
62 33 subchapter.
62 34 a. For the purposes of this subchapter, sales of the
62 35 following services are treated as if they were sales of
63 1 tangible personal property:
63 2 (1) Sales of engraving, photography, retouching, printing,
63 3 and binding services.
63 4 (2) Sales of vulcanizing, recapping, and retreading
63 5 services.
63 6 (3) Sales of prepaid telephone calling cards and prepaid
63 7 authorization numbers.
63 8 (4) Sales of optional service or warranty contracts,
63 9 except residential service contracts regulated under chapter
63 10 523C, which provide for the furnishing of labor and materials
63 11 and require the furnishing of any taxable service enumerated

63 12 under this section. The sales price is subject to tax even if
63 13 some of the services furnished are not enumerated under this
63 14 section. Additional sales, services, or use taxes shall not
63 15 be levied on services, parts, or labor provided under optional
63 16 service or warranty contracts which are subject to tax under
63 17 this subsection.

63 18 If the optional service or warranty contract is a computer
63 19 software maintenance or support service contract and there is
63 20 no separately stated fee for the taxable personal property or
63 21 for the nontaxable service, the tax imposed by this subsection
63 22 shall be imposed on fifty percent of the sales price from the
63 23 sale of such contract. If the contract provides for technical
63 24 support services only, no tax shall be imposed under this
63 25 subsection. The provisions of this subparagraph (4) also
63 26 apply to the use tax.

63 27 (5) Renting of rooms, apartments, or sleeping quarters in
63 28 a hotel, motel, inn, public lodging house, rooming house,
63 29 mobile home which is tangible personal property, or tourist
63 30 court, or in any place where sleeping accommodations are
63 31 furnished to transient guests for rent, whether with or
63 32 without meals. "Renting" and "rent" include any kind of
63 33 direct or indirect charge for such rooms, apartments, or
63 34 sleeping quarters, or their use. However, the tax does not
63 35 apply to the sales price from the renting of a room,
64 1 apartment, or sleeping quarters while rented by the same
64 2 person for a period of more than thirty-one consecutive days.

64 3 b. Sales of building materials, supplies, and equipment to
64 4 owners, contractors, subcontractors, or builders for the
64 5 erection of buildings or the alteration, repair, or
64 6 improvement of real property are retail sales of tangible
64 7 personal property in whatever quantity sold. Where the owner,
64 8 contractor, subcontractor, or builder is also a retailer
64 9 holding a retail sales tax permit and transacting retail sales
64 10 of building materials, supplies, and equipment, the person
64 11 shall purchase such items of tangible personal property
64 12 without liability for the tax if such property will be subject
64 13 to the tax at the time of resale or at the time it is
64 14 withdrawn from inventory for construction purposes. The sales
64 15 tax shall be due in the reporting period when the materials,
64 16 supplies, and equipment are withdrawn from inventory for
64 17 construction purposes or when sold at retail. The tax shall
64 18 not be due when materials are withdrawn from inventory for use
64 19 in construction outside of Iowa and the tax shall not apply to
64 20 tangible personal property purchased and consumed by the
64 21 manufacturer as building materials in the performance by the
64 22 manufacturer or its subcontractor of construction outside of
64 23 Iowa. The sale of carpeting is not a sale of building
64 24 materials. The sale of carpeting to owners, contractors,
64 25 subcontractors, or builders shall be treated as the sale of
64 26 ordinary tangible personal property and subject to the tax
64 27 imposed under this subsection and the use tax.

64 28 c. The use within this state of tangible personal property
64 29 by the manufacturer thereof, as building materials, supplies,
64 30 or equipment, in the performance of construction contracts in
64 31 Iowa, shall, for the purpose of this subchapter, be construed
64 32 as a sale at retail of tangible personal property by the
64 33 manufacturer who shall be deemed to be the consumer of such
64 34 tangible personal property. The tax shall be computed upon
64 35 the cost to the manufacturer of the fabrication or production
65 1 of the tangible personal property.

65 2 2. A tax of five percent is imposed upon the sales price
65 3 of the sale or furnishing of gas, electricity, water, heat,
65 4 pay television service, and communication service, including
65 5 the sales price from such sales by any municipal corporation
65 6 or joint water utility furnishing gas, electricity, water,
65 7 heat, pay television service, and communication service to the
65 8 public in its proprietary capacity, except as otherwise
65 9 provided in this subchapter, when sold at retail in the state
65 10 to consumers or users.

65 11 3. A tax of five percent is imposed upon the sales price
65 12 of all sales of tickets or admissions to places of amusement,
65 13 fairs, and athletic events except those of elementary and
65 14 secondary educational institutions. A tax of five percent is
65 15 imposed on the sales price of an entry fee or like charge
65 16 imposed solely for the privilege of participating in an
65 17 activity at a place of amusement, fair, or athletic event
65 18 unless the sales price of tickets or admissions charges for
65 19 observing the same activity are taxable under this subchapter.
65 20 A tax of five percent is imposed upon that part of private
65 21 club membership fees or charges paid for the privilege of
65 22 participating in any athletic sports provided club members.

65 23 4. A tax of five percent is imposed upon the sales price
65 24 derived from the operation of all forms of amusement devices
65 25 and games of skill, games of chance, raffles, and bingo games
65 26 as defined in chapter 99B, operated or conducted within the
65 27 state, the tax to be collected from the operator in the same
65 28 manner as for the collection of taxes upon the sales price of
65 29 tickets or admission as provided in this section. Nothing in
65 30 this subsection shall legalize any games of skill or chance or
65 31 slot-operated devices which are now prohibited by law.

65 32 The tax imposed under this subsection covers the total
65 33 amount from the operation of games of skill, games of chance,
65 34 raffles, and bingo games as defined in chapter 99B, and
65 35 musical devices, weighing machines, shooting galleries,
66 1 billiard and pool tables, bowling alleys, pinball machines,
66 2 slot-operated devices selling merchandise not subject to the
66 3 general sales taxes and on the total amount from devices or
66 4 systems where prizes are in any manner awarded to patrons and
66 5 upon the receipts from fees charged for participation in any
66 6 game or other form of amusement, and generally upon the sales
66 7 price from any source of amusement operated for profit, not
66 8 specified in this section, and upon the sales price from which
66 9 tax is not collected for tickets or admission, but tax shall
66 10 not be imposed upon any activity exempt from sales tax under
66 11 section 423.3, subsection 78. Every person receiving any
66 12 sales price from the sources described in this section is
66 13 subject to all provisions of this subchapter relating to
66 14 retail sales tax and other provisions of this chapter as
66 15 applicable.

66 16 5. There is imposed a tax of five percent upon the sales
66 17 price from the furnishing of services as defined in section
66 18 423.1.

66 19 6. The sales price of any of the following enumerated
66 20 services is subject to the tax imposed by subsection 5:
66 21 alteration and garment repair; armored car; vehicle repair;
66 22 battery, tire, and allied; investment counseling; service
66 23 charges of all financial institutions; barber and beauty; boat
66 24 repair; vehicle wash and wax; campgrounds; carpentry; roof,
66 25 shingle, and glass repair; dance schools and dance studios;
66 26 dating services; dry cleaning, pressing, dyeing, and
66 27 laundering; electrical and electronic repair and installation;
66 28 excavating and grading; farm implement repair of all kinds;
66 29 flying service; furniture, rug, carpet, and upholstery repair
66 30 and cleaning; fur storage and repair; golf and country clubs
66 31 and all commercial recreation; gun and camera repair; house
66 32 and building moving; household appliance, television, and
66 33 radio repair; janitorial and building maintenance or cleaning;
66 34 jewelry and watch repair; lawn care, landscaping, and tree
66 35 trimming and removal; limousine service, including driver;
67 1 machine operator; machine repair of all kinds; motor repair;
67 2 motorcycle, scooter, and bicycle repair; oilers and
67 3 lubricators; office and business machine repair; painting,
67 4 papering, and interior decorating; parking facilities; pay
67 5 television; pet grooming; pipe fitting and plumbing; wood
67 6 preparation; executive search agencies; private employment
67 7 agencies, excluding services for placing a person in
67 8 employment where the principal place of employment of that
67 9 person is to be located outside of the state; reflexology;
67 10 security and detective services; sewage services for
67 11 nonresidential commercial operations; sewing and stitching;
67 12 shoe repair and shoeshine; sign construction and installation;
67 13 storage of household goods, mini-storage, and warehousing of
67 14 raw agricultural products; swimming pool cleaning and
67 15 maintenance; tanning beds or salons; taxidermy services;
67 16 telephone answering service; test laboratories, including
67 17 mobile testing laboratories and field testing by testing
67 18 laboratories, and excluding tests on humans or animals;
67 19 termite, bug, roach, and pest eradicators; tin and sheet metal
67 20 repair; Turkish baths, massage, and reducing salons, excluding
67 21 services provided by massage therapists licensed under chapter
67 22 152C; water conditioning and softening; weighing; welding;
67 23 well drilling; wrapping, packing, and packaging of merchandise
67 24 other than processed meat, fish, fowl, and vegetables;
67 25 wrecking service; wrecker and towing.

67 26 For the purposes of this subsection, the sales price of a
67 27 lease or rental includes rents, royalties, and copyright and
67 28 license fees. For the purposes of this subsection, "financial
67 29 institutions" means all national banks, federally chartered
67 30 savings and loan associations, federally chartered savings
67 31 banks, federally chartered credit unions, banks organized
67 32 under chapter 524, savings and loan associations and savings
67 33 banks organized under chapter 534, and credit unions organized

67 34 under chapter 533.

67 35 7. a. A tax of five percent is imposed upon the sales
68 1 price from the sales, furnishing, or service of solid waste
68 2 collection and disposal service.

68 3 For purposes of this subsection, "solid waste" means
68 4 garbage, refuse, sludge from a water supply treatment plant or
68 5 air contaminant treatment facility, and other discarded waste
68 6 materials and sludges, in solid, semisolid, liquid, or
68 7 contained gaseous form, resulting from nonresidential
68 8 commercial operations, but does not include auto hulks; street
68 9 sweepings; ash; construction debris; mining waste; trees;
68 10 tires; lead acid batteries; used oil; hazardous waste; animal
68 11 waste used as fertilizer; earthen fill, boulders, or rock;
68 12 foundry sand used for daily cover at a sanitary landfill;
68 13 sewage sludge; solid or dissolved material in domestic sewage
68 14 or other common pollutants in water resources, such as silt,
68 15 dissolved or suspended solids in industrial waste water
68 16 effluents or discharges which are point sources subject to
68 17 permits under section 402 of the federal Water Pollution
68 18 Control Act, or dissolved materials in irrigation return
68 19 flows; or source, special nuclear, or by-product material
68 20 defined by the federal Atomic Energy Act of 1954.

68 21 A recycling facility that separates or processes recyclable
68 22 materials and that reduces the volume of the waste by at least
68 23 eighty-five percent is exempt from the tax imposed by this
68 24 subsection if the waste exempted is collected and disposed of
68 25 separately from other solid waste.

68 26 b. A person who transports solid waste generated by that
68 27 person or another person without compensation shall pay the
68 28 tax imposed by this subsection at the collection or disposal
68 29 facility based on the disposal charge or tipping fee.
68 30 However, the costs of a service or portion of a service to
68 31 collect and manage recyclable materials separated from solid
68 32 waste by the waste generator are exempt from the tax imposed
68 33 by this subsection.

68 34 8. a. A tax of five percent is imposed upon the sales
68 35 price from sales of bundled services contracts. For purposes
69 1 of this subsection, a "bundled services contract" means an
69 2 agreement providing for a retailer's performance of services,
69 3 one or more of which is a taxable service enumerated in this
69 4 section and one or more of which is not, in return for a
69 5 consumer's or user's single payment for the performance of the
69 6 services, with no separate statement to the consumer or user
69 7 of what portion of that payment is attributable to any one
69 8 service which is a part of the contract.

69 9 b. For purposes of the administration of the tax on
69 10 bundled services contracts, the director may enter into
69 11 agreements of limited duration with individual retailers,
69 12 groups of retailers, or organizations representing retailers
69 13 of bundled services contracts. Such an agreement shall impose
69 14 the tax rate only upon that portion of the sales price from a
69 15 bundled services contract which is attributable to taxable
69 16 services provided under the contract.

69 17 9. A tax of five percent is imposed upon the sales price
69 18 from any mobile telecommunications service which this state is
69 19 allowed to tax by the provisions of the federal Mobile
69 20 Telecommunications Sourcing Act, Pub. L. No. 106-252, 4 U.S.C.
69 21 } 116 et seq. For purposes of this subsection, taxes on
69 22 mobile telecommunications service, as defined under the
69 23 federal Mobile Telecommunications Sourcing Act that are deemed
69 24 to be provided by the customer's home service provider, shall
69 25 be paid to the taxing jurisdiction whose territorial limits
69 26 encompass the customer's place of primary use, regardless of
69 27 where the mobile telecommunications service originates,
69 28 terminates, or passes through and shall in all other respects
69 29 be taxed in conformity with the federal Mobile
69 30 Telecommunications Sourcing Act. All other provisions of the
69 31 federal Mobile Telecommunications Sourcing Act are adopted by
69 32 the state of Iowa and incorporated into this subsection by
69 33 reference. With respect to mobile telecommunications service
69 34 under the federal Mobile Telecommunications Sourcing Act, the
69 35 director shall, if requested, enter into agreements consistent
70 1 with the provisions of the federal Act.

70 2 10. All revenues arising under the operation of the
70 3 provisions of this section shall be deposited into the general
70 4 fund of the state.

70 5 Sec. 96. NEW SECTION. 423.3 EXEMPTIONS.

70 6 There is exempted from the provisions of this subchapter
70 7 and from the computation of the amount of tax imposed by it
70 8 the following:

70 9 1. The sales price from sales of tangible personal

70 10 property and services furnished which this state is prohibited
70 11 from taxing under the Constitution or laws of the United
70 12 States or under the Constitution of this state.

70 13 2. The sales price of sales for resale of tangible
70 14 personal property or taxable services, or for resale of
70 15 tangible personal property in connection with the furnishing
70 16 of taxable services.

70 17 3. The sales price of agricultural breeding livestock and
70 18 domesticated fowl.

70 19 4. The sales price of commercial fertilizer.

70 20 5. The sales price of agricultural limestone, herbicide,
70 21 pesticide, insecticide, including adjuvants, surfactants, and
70 22 other products directly related to the application enhancement
70 23 of those products, food, medication, or agricultural drain
70 24 tile, including installation of agricultural drain tile, any
70 25 of which are to be used in disease control, weed control,
70 26 insect control, or health promotion of plants or livestock
70 27 produced as part of agricultural production for market.

70 28 6. The sales price of tangible personal property which
70 29 will be consumed as fuel in creating heat, power, or steam for
70 30 grain drying, or for providing heat or cooling for livestock
70 31 buildings or for greenhouses or buildings or parts of
70 32 buildings dedicated to the production of flowering,
70 33 ornamental, or vegetable plants intended for sale in the
70 34 ordinary course of business, or for use in cultivation of
70 35 agricultural products by aquaculture, or in implements of
71 1 husbandry engaged in agricultural production.

71 2 7. The sales price of services furnished by specialized
71 3 flying implements of husbandry used for agricultural aerial
71 4 spraying.

71 5 8. The sales price exclusive of services of farm machinery
71 6 and equipment, including auxiliary attachments which improve
71 7 the performance, safety, operation, or efficiency of the
71 8 machinery and equipment and replacement parts, if the
71 9 following conditions are met:

71 10 a. The farm machinery and equipment shall be directly and
71 11 primarily used in production of agricultural products.

71 12 b. The farm machinery and equipment shall constitute self=
71 13 propelled implements or implements customarily drawn or
71 14 attached to self-propelled implements or the farm machinery or
71 15 equipment is a grain dryer.

71 16 c. The replacement part is essential to any repair or
71 17 reconstruction necessary to the farm machinery's or
71 18 equipment's exempt use in the production of agricultural
71 19 products.

71 20 Vehicles subject to registration, as defined in section
71 21 423.1, or replacement parts for such vehicles, are not
71 22 eligible for this exemption.

71 23 9. The sales price of wood chips, sawdust, hay, straw,
71 24 paper, or other materials used for bedding in the production
71 25 of agricultural livestock or fowl.

71 26 10. The sales price of gas, electricity, water, or heat to
71 27 be used in implements of husbandry engaged in agricultural
71 28 production.

71 29 11. The sales price exclusive of services of farm
71 30 machinery and equipment, including auxiliary attachments which
71 31 improve the performance, safety, operation, or efficiency of
71 32 the machinery and equipment and replacement parts, if all of
71 33 the following conditions are met:

71 34 a. The implement, machinery, or equipment is directly and
71 35 primarily used in livestock or dairy production, aquaculture
72 1 production, or the production of flowering, ornamental, or
72 2 vegetable plants.

72 3 b. The implement is not a self-propelled implement or
72 4 implement customarily drawn or attached to self-propelled
72 5 implements.

72 6 c. The replacement part is essential to any repair or
72 7 reconstruction necessary to the farm machinery's or
72 8 equipment's exempt use in livestock or dairy production,
72 9 aquaculture production, or the production of flowering,
72 10 ornamental, or vegetable plants.

72 11 12. The sales price, exclusive of services, from sales of
72 12 irrigation equipment used in farming operations.

72 13 13. The sales price from the sale or rental of irrigation
72 14 equipment, whether installed above or below ground, to a
72 15 contractor or farmer if the equipment will be primarily used
72 16 in agricultural operations.

72 17 14. The sales price from the sales of horses, commonly
72 18 known as draft horses, when purchased for use and so used as
72 19 draft horses.

72 20 15. The sales price from the sale of property which is a

72 21 container, label, carton, pallet, packing case, wrapping,
72 22 baling wire, twine, bag, bottle, shipping case, or other
72 23 similar article or receptacle sold for use in agricultural,
72 24 livestock, or dairy production.

72 25 16. The sales price from the sale of feed and feed
72 26 supplements and additives when used for consumption by farm
72 27 deer or bison.

72 28 17. The sales price of all goods, wares, or merchandise,
72 29 or services, used for educational purposes sold to any private
72 30 nonprofit educational institution in this state. For the
72 31 purpose of this subsection, "educational institution" means an
72 32 institution which primarily functions as a school, college, or
72 33 university with students, faculty, and an established
72 34 curriculum. The faculty of an educational institution must be
72 35 associated with the institution and the curriculum must
73 1 include basic courses which are offered every year.
73 2 "Educational institution" includes an institution primarily
73 3 functioning as a library.

73 4 18. The sales price of tangible personal property sold, or
73 5 of services furnished, to the following nonprofit
73 6 corporations:

73 7 a. Residential care facilities and intermediate care
73 8 facilities for persons with mental retardation and residential
73 9 care facilities for persons with mental illness licensed by
73 10 the department of inspections and appeals under chapter 135C.
73 11 b. Residential facilities licensed by the department of
73 12 human services pursuant to chapter 237, other than those
73 13 maintained by individuals as defined in section 237.1,
73 14 subsection 7.

73 15 c. Rehabilitation facilities that provide accredited
73 16 rehabilitation services to persons with disabilities which are
73 17 accredited by the commission on accreditation of
73 18 rehabilitation facilities or the accreditation council for
73 19 services for persons with mental retardation and other persons
73 20 with developmental disabilities and adult day care services
73 21 approved for reimbursement by the state department of human
73 22 services.

73 23 d. Community mental health centers accredited by the
73 24 department of human services pursuant to chapter 225C.

73 25 e. Community health centers as defined in 42 U.S.C. }
73 26 254(c) and migrant health centers as defined in 42 U.S.C. }
73 27 254(b).

73 28 19. The sales price of tangible personal property sold to
73 29 a nonprofit organization which was organized for the purpose
73 30 of lending the tangible personal property to the general
73 31 public for use by them for nonprofit purposes.

73 32 20. The sales price of tangible personal property sold, or
73 33 of services furnished, to nonprofit legal aid organizations.

73 34 21. The sales price of goods, wares, or merchandise, or of
73 35 services, used for educational, scientific, historic
74 1 preservation, or aesthetic purpose sold to a nonprofit private
74 2 museum.

74 3 22. The sales price from sales of goods, wares, or
74 4 merchandise, or from services furnished, to a nonprofit
74 5 private art center to be used in the operation of the art
74 6 center.

74 7 23. The sales price of tangible personal property sold, or
74 8 of services furnished, by a fair society organized under
74 9 chapter 174.

74 10 24. The sales price from services furnished by the
74 11 notification center established pursuant to section 480.3, and
74 12 the vendor selected pursuant to section 480.3 to provide the
74 13 notification service.

74 14 25. The sales price of food and beverages sold for human
74 15 consumption by a nonprofit organization which principally
74 16 promotes a food or beverage product for human consumption
74 17 produced, grown, or raised in this state and whose income is
74 18 exempt from federal taxation under section 501(c) of the
74 19 Internal Revenue Code.

74 20 26. The sales price of tangible personal property sold, or
74 21 of services furnished, to a statewide nonprofit organ
74 22 procurement organization, as defined in section 142C.2.

74 23 27. The sales price of tangible personal property sold, or
74 24 of services furnished, to a nonprofit hospital licensed
74 25 pursuant to chapter 135B to be used in the operation of the
74 26 hospital.

74 27 28. The sales price of tangible personal property sold, or
74 28 of services furnished, to a freestanding nonprofit hospice
74 29 facility which operates a hospice program as defined in 42
74 30 C.F.R., ch. IV, } 418.3, which property or services are to be
74 31 used in the hospice program.

74 32 29. The sales price of all goods, wares, or merchandise
74 33 sold, or of services furnished, which are used in the
74 34 fulfillment of a written construction contract with a
74 35 nonprofit hospital licensed pursuant to chapter 135B if all of
75 1 the following apply:
75 2 a. The sales and delivery of the goods, wares, or
75 3 merchandise, or the services furnished occurred between July
75 4 1, 1998, and December 31, 2001.
75 5 b. The written construction contract was entered into
75 6 prior to December 31, 1999, or bonds to fund the construction
75 7 were issued prior to December 31, 1999.
75 8 c. The sales or services were purchased by a contractor as
75 9 the agent for the hospital or were purchased directly by the
75 10 hospital.

75 11 30. The sales price of livestock ear tags sold by a
75 12 nonprofit organization whose income is exempt from federal
75 13 taxation under section 501(c)(6) of the Internal Revenue Code
75 14 where the proceeds are used in bovine research programs
75 15 selected or approved by such organization.

75 16 31. The sales price of goods, wares, or merchandise sold
75 17 to and of services furnished, and used for public purposes
75 18 sold to a tax-certifying or tax-levying body of the state or a
75 19 governmental subdivision of the state, including regional
75 20 transit systems, as defined in section 324A.1, the state board
75 21 of regents, department of human services, state department of
75 22 transportation, any municipally owned solid waste facility
75 23 which sells all or part of its processed waste as fuel to a
75 24 municipally owned public utility, and all divisions, boards,
75 25 commissions, agencies, or instrumentalities of state, federal,
75 26 county, or municipal government which have no earnings going
75 27 to the benefit of an equity investor or stockholder, except
75 28 any of the following:
75 29 a. The sales price of goods, wares, or merchandise sold
75 30 to, or of services furnished, and used by or in connection
75 31 with the operation of any municipally owned public utility
75 32 engaged in selling gas, electricity, heat, or pay television
75 33 service to the general public.
75 34 b. The sales price of furnishing of sewage services to a
75 35 county or municipality on behalf of nonresidential commercial
76 1 operations.
76 2 c. The furnishing of solid waste collection and disposal
76 3 service to a county or municipality on behalf of
76 4 nonresidential commercial operations located within the county
76 5 or municipality.

76 6 The exemption provided by this subsection shall also apply
76 7 to all such sales of goods, wares, or merchandise or of
76 8 services furnished and subject to use tax.

76 9 32. The sales price of tangible personal property sold, or
76 10 of services furnished, by a county or city. This exemption
76 11 does not apply to any of the following:
76 12 a. The tax specifically imposed under section 423.2 on the
76 13 sales price from sales or furnishing of gas, electricity,
76 14 water, heat, pay television service, or communication service
76 15 to the public by a municipal corporation in its proprietary
76 16 capacity.
76 17 b. The sale or furnishing of solid waste collection and
76 18 disposal service to nonresidential commercial operations.
76 19 c. The sale or furnishing of sewage service for
76 20 nonresidential commercial operations.
76 21 d. Fees paid to cities and counties for the privilege of
76 22 participating in any athletic sports.

76 23 33. The sales price of mementos and other items relating
76 24 to Iowa history and historic sites, the general assembly, and
76 25 the state capitol, sold by the legislative service bureau and
76 26 its legislative information office on the premises of property
76 27 under the control of the legislative council, at the state
76 28 capitol, and on other state property.

76 29 34. The sales price from sales of mementos and other items
76 30 relating to Iowa history and historic sites by the department
76 31 of cultural affairs on the premises of property under its
76 32 control and at the state capitol.

76 33 35. The sales price from sales or services furnished by
76 34 the state fair organized under chapter 173.

76 35 36. The sales price from sales of tangible personal
77 1 property or of the sale or furnishing of electrical energy,
77 2 natural or artificial gas, or communication service to another
77 3 state or political subdivision of another state if the other
77 4 state provides a similar reciprocal exemption for this state
77 5 and political subdivision of this state.

77 6 37. The sales price of services on or connected with new
77 7 construction, reconstruction, alteration, expansion,

77 8 remodeling, or the services of a general building contractor,
77 9 architect, or engineer.

77 10 38. The sales price from the sale of building materials,
77 11 supplies, or equipment sold to rural water districts organized
77 12 under chapter 504A as provided in chapter 357A and used for
77 13 the construction of facilities of a rural water district.

77 14 39. The sales price from "casual sales".
77 15 "Casual sales" means:
77 16 a. Sales of tangible personal property, or the furnishing
77 17 of services, of a nonrecurring nature, by the owner, if the
77 18 seller, at the time of the sale, is not engaged for profit in
77 19 the business of selling tangible personal property or services
77 20 taxed under section 423.2.
77 21 b. The sale of all or substantially all of the tangible
77 22 personal property or services held or used by a seller in the
77 23 course of the seller's trade or business for which the seller
77 24 is required to hold a sales tax permit when the seller sells
77 25 or otherwise transfers the trade or business to another person
77 26 who shall engage in a similar trade or business.

77 27 40. The sales price from the sale of automotive fluids to
77 28 a retailer to be used either in providing a service which
77 29 includes the installation or application of the fluids in or
77 30 on a motor vehicle, which service is subject to section 423.2,
77 31 subsection 6, or to be installed in or applied to a motor
77 32 vehicle which the retailer intends to sell, which sale is
77 33 subject to section 423.26. For purposes of this subsection,
77 34 automotive fluids are all those which are refined,
77 35 manufactured, or otherwise processed and packaged for sale
78 1 prior to their installation in or application to a motor
78 2 vehicle. They include but are not limited to motor oil and
78 3 other lubricants, hydraulic fluids, brake fluid, transmission
78 4 fluid, sealants, undercoatings, antifreeze, and gasoline
78 5 additives.

78 6 41. The sales price from the rental of motion picture
78 7 films, video and audio tapes, video and audio discs, records,
78 8 photos, copy, scripts, or other media used for the purpose of
78 9 transmitting that which can be seen, heard, or read, if either
78 10 of the following conditions are met:
78 11 a. The lessee imposes a charge for the viewing of such
78 12 media and the charge for the viewing is subject to taxation
78 13 under this subchapter or is subject to use tax.
78 14 b. The lessee broadcasts the contents of such media for
78 15 public viewing or listening.

78 16 42. The sales price from the sale of tangible personal
78 17 property consisting of advertising material including paper to
78 18 a person in Iowa if that person or that person's agent will,
78 19 subsequent to the sale, send that advertising material outside
78 20 this state and the material is subsequently used solely
78 21 outside of Iowa. For the purpose of this subsection,
78 22 "advertising material" means any brochure, catalog, leaflet,
78 23 flyer, order form, return envelope, or similar item used to
78 24 promote sales of property or services.

78 25 43. The sales price from the sale of property or of
78 26 services performed on property which the retailer transfers to
78 27 a carrier for shipment to a point outside of Iowa, places in
78 28 the United States mail or parcel post directed to a point
78 29 outside of Iowa, or transports to a point outside of Iowa by
78 30 means of the retailer's own vehicles, and which is not
78 31 thereafter returned to a point within Iowa, except solely in
78 32 the course of interstate commerce or transportation. This
78 33 exemption shall not apply if the purchaser, consumer, or their
78 34 agent, other than a carrier, takes physical possession of the
78 35 property in Iowa.

79 1 44. The sales price from the sale of property which is a
79 2 container, label, carton, pallet, packing case, wrapping
79 3 paper, twine, bag, bottle, shipping case, or other similar
79 4 article or receptacle sold to retailers or manufacturers for
79 5 the purpose of packaging or facilitating the transportation of
79 6 tangible personal property sold at retail or transferred in
79 7 association with the maintenance or repair of fabric or
79 8 clothing.

79 9 45. The sales price from sales or rentals to a printer or
79 10 publisher of the following: acetate; anti-halation backing;
79 11 antistatic spray; back lining; base material used as a carrier
79 12 for light sensitive emulsions; blankets; blow-ups; bronze
79 13 powder; carbon tissue; codas; color filters; color
79 14 separations; contacts; continuous tone separations; creative
79 15 art; custom dies and die cutting materials; dampener sleeves;
79 16 dampening solution; design and styling; diazo coating; dot
79 17 etching; dot etching solutions; drawings; drawsheets; driers;
79 18 duplicate films or prints; electronically digitized images;

79 19 electrotypes; end product of image modulation; engravings;
79 20 etch solutions; film; finished art or final art; fix; fixative
79 21 spray; flats; flying pasters; foils; goldenrod paper; gum;
79 22 halftones; illustrations; ink; ink paste; keylines; lacquer;
79 23 lasering images; layouts; lettering; line negatives and
79 24 positives; linotypes; lithographic offset plates; magnesium
79 25 and zinc etchings; masking paper; masks; masters; mats; mat
79 26 service; metal toner; models and modeling; mylar; negatives;
79 27 nonoffset spray; opaque film process paper; opaquing; padding
79 28 compound; paper stock; photographic materials: acids, plastic
79 29 film, desensitizer emulsion, exposure chemicals, fix,
79 30 developers, and paper; photography, day rate; photopolymer
79 31 coating; photographs; photostats; photo=display tape;
79 32 phototypesetter materials; ph=indicator sticks; positives;
79 33 press pack; printing cylinders; printing plates, all types;
79 34 process lettering; proof paper; proofs and proof processes,
79 35 all types; pumice powder; purchased author alterations;
80 1 purchased composition; purchased phototypesetting; purchased
80 2 stripping and pasteups; red litho tape; reducers; roller
80 3 covering; screen tints; sketches; stepped plates; stereotypes;
80 4 strip types; substrate; tints; tissue overlays; toners;
80 5 transparencies; tympan; typesetting; typography; varnishes;
80 6 veloxes; wood mounts; and any other items used in a like
80 7 capacity to any of the above enumerated items by the printer
80 8 or publisher to complete a finished product for sale at
80 9 retail. Expendable tools and supplies which are not
80 10 enumerated in this subsection are excluded from the exemption.
80 11 "Printer" means that portion of a person's business engaged in
80 12 printing that completes a finished product for ultimate sale
80 13 at retail or means that portion of a person's business used to
80 14 complete a finished printed packaging material used to package
80 15 a product for ultimate sale at retail. "Printer" does not
80 16 mean an in-house printer who prints or copyrights its own
80 17 materials.
80 18 46. a. The sales price from the sale or rental of
80 19 computers, machinery, and equipment, including replacement
80 20 parts, and materials used to construct or self=construct
80 21 computers, machinery, and equipment if such items are any of
80 22 the following:
80 23 (1) Directly and primarily used in processing by a
80 24 manufacturer.
80 25 (2) Directly and primarily used to maintain the integrity
80 26 of the product or to maintain unique environmental conditions
80 27 required for either the product or the computers, machinery,
80 28 and equipment used in processing by a manufacturer, including
80 29 test equipment used to control quality and specifications of
80 30 the product.
80 31 (3) Directly and primarily used in research and
80 32 development of new products or processes of processing.
80 33 (4) Computers used in processing or storage of data or
80 34 information by an insurance company, financial institution, or
80 35 commercial enterprise.
81 1 (5) Directly and primarily used in recycling or
81 2 reprocessing of waste products.
81 3 (6) Pollution=control equipment used by a manufacturer,
81 4 including but not limited to that required or certified by an
81 5 agency of this state or of the United States government.
81 6 b. The sales price from the sale of fuel used in creating
81 7 heat, power, steam, or for generating electrical current, or
81 8 from the sale of electricity, consumed by computers,
81 9 machinery, or equipment used in an exempt manner described in
81 10 paragraph "a", subparagraph (1), (2), (3), (5), or (6).
81 11 c. The sales price from the sale or rental of the
81 12 following shall not be exempt from the tax imposed by this
81 13 subchapter:
81 14 (1) Hand tools.
81 15 (2) Point-of-sale equipment and computers.
81 16 (3) Industrial machinery, equipment, and computers,
81 17 including pollution=control equipment within the scope of
81 18 section 427A.1, subsection 1, paragraphs "h" and "i".
81 19 (4) Vehicles subject to registration, except vehicles
81 20 subject to registration which are directly and primarily used
81 21 in recycling or reprocessing of waste products.
81 22 d. As used in this subsection:
81 23 (1) "Commercial enterprise" includes businesses and
81 24 manufacturers conducted for profit and centers for data
81 25 processing services to insurance companies, financial
81 26 institutions, businesses, and manufacturers, but excludes
81 27 professions and occupations and nonprofit organizations.
81 28 (2) "Financial institution" means as defined in section
81 29 527.2.

81 30 (3) "Insurance company" means an insurer organized or
81 31 operating under chapter 508, 514, 515, 518, 518A, 519, or 520,
81 32 or authorized to do business in Iowa as an insurer or an
81 33 insurance producer under chapter 522B.

81 34 (4) "Manufacturer" means as defined in section 428.20, but
81 35 also includes contract manufacturers. A contract manufacturer
82 1 is a manufacturer that otherwise falls within the definition
82 2 of manufacturer under section 428.20, except that a contract
82 3 manufacturer does not sell the tangible personal property the
82 4 contract manufacturer processes on behalf of other
82 5 manufacturers. A business engaged in activities subsequent to
82 6 the extractive process of quarrying or mining, such as
82 7 crushing, washing, sizing, or blending of aggregate materials,
82 8 is a manufacturer with respect to these activities.

82 9 (5) "Processing" means a series of operations in which
82 10 materials are manufactured, refined, purified, created,
82 11 combined, or transformed by a manufacturer, ultimately into
82 12 tangible personal property. Processing encompasses all
82 13 activities commencing with the receipt or producing of raw
82 14 materials by the manufacturer and ending at the point products
82 15 are delivered for shipment or transferred from the
82 16 manufacturer. Processing includes but is not limited to
82 17 refinement or purification of materials; treatment of
82 18 materials to change their form, context, or condition;
82 19 maintenance of the quality or integrity of materials,
82 20 components, or products; maintenance of environmental
82 21 conditions necessary for materials, components, or products;
82 22 quality control activities; and construction of packaging and
82 23 shipping devices, placement into shipping containers or any
82 24 type of shipping devices or medium, and the movement of
82 25 materials, components, or products until shipment from the
82 26 processor.

82 27 (6) "Receipt or producing of raw materials" means
82 28 activities performed upon tangible personal property only.
82 29 With respect to raw materials produced from or upon real
82 30 estate, the receipt or producing of raw materials is deemed to
82 31 occur immediately following the severance of the raw materials
82 32 from the real estate.

82 33 47. The sales price from the furnishing of the design and
82 34 installation of new industrial machinery or equipment,
82 35 including electrical and electronic installation.

83 1 48. The sales price from the sale of carbon dioxide in a
83 2 liquid, solid, or gaseous form, electricity, steam, and other
83 3 taxable services when used by a manufacturer of food products
83 4 to produce marketable food products for human consumption,
83 5 including but not limited to treatment of material to change
83 6 its form, context, or condition, in order to produce the food
83 7 product, maintenance of quality or integrity of the food
83 8 product, changing or maintenance of temperature levels
83 9 necessary to avoid spoilage or to hold the food product in
83 10 marketable condition, maintenance of environmental conditions
83 11 necessary for the safe or efficient use of machinery and
83 12 material used to produce the food product, sanitation and
83 13 quality control activities, formation of packaging, placement
83 14 into shipping containers, and movement of the material or food
83 15 product until shipment from the building of manufacture.

83 16 49. The sales price of sales of electricity, steam, or any
83 17 taxable service when purchased and used in the processing of
83 18 tangible personal property intended to be sold ultimately at
83 19 retail.

83 20 50. The sales price of tangible personal property sold for
83 21 processing. Tangible personal property is sold for processing
83 22 within the meaning of this subsection only when it is intended
83 23 that the property will, by means of fabrication, compounding,
83 24 manufacturing, or germination, become an integral part of
83 25 other tangible personal property intended to be sold
83 26 ultimately at retail; or for generating electric current; or
83 27 the property is a chemical, solvent, sorbent, or reagent,
83 28 which is directly used and is consumed, dissipated, or
83 29 depleted, in processing tangible personal property which is
83 30 intended to be sold ultimately at retail or consumed in the
83 31 maintenance or repair of fabric or clothing, and which may not
83 32 become a component or integral part of the finished product.
83 33 The distribution to the public of free newspapers or shoppers
83 34 guides is a retail sale for purposes of the processing
83 35 exemption set out in this subsection and in subsection 49.

84 1 51. The sales price from the sale of argon and other
84 2 similar gases to be used in the manufacturing process.

84 3 52. The sales price from the sale of electricity to water
84 4 companies assessed for property tax pursuant to sections
84 5 428.24, 428.26, and 428.28 which is used solely for the

84 6 purpose of pumping water from a river or well.
84 7 53. The sales price from the sale of wind energy
84 8 conversion property to be used as an electric power source and
84 9 the sale of the materials used to manufacture, install, or
84 10 construct wind energy conversion property used or to be used
84 11 as an electric power source.
84 12 For purposes of this subsection, "wind energy conversion
84 13 property" means any device, including, but not limited to, a
84 14 wind charger, windmill, wind turbine, tower and electrical
84 15 equipment, pad mount transformers, power lines, and
84 16 substation, which converts wind energy to a form of usable
84 17 energy.
84 18 54. The sales price from the sales of newspapers, free
84 19 newspapers, or shoppers guides and the printing and publishing
84 20 of such newspapers and shoppers guides, and envelopes for
84 21 advertising.
84 22 55. The sales price from the sale of motor fuel and
84 23 special fuel consumed for highway use or in watercraft or
84 24 aircraft where the fuel tax has been imposed and paid and no
84 25 refund has been or will be allowed and the sales price from
84 26 the sales of ethanol blended gasoline, as defined in section
84 27 452A.2.
84 28 56. The sales price from all sales of food and food
84 29 ingredients. However, as used in this subsection, "food" does
84 30 not include alcoholic beverages, candy, dietary supplements,
84 31 food sold through vending machines, prepared food, soft
84 32 drinks, and tobacco.
84 33 For the purposes of this subsection:
84 34 a. "Alcoholic beverages" means beverages that are suitable
84 35 for human consumption and contain one-half of one percent or
85 1 more of alcohol by volume.
85 2 b. "Candy" means a preparation of sugar, honey, or other
85 3 natural or artificial sweeteners in combination with
85 4 chocolate, fruits, nuts, or other ingredients or flavorings in
85 5 the form of bars, drops, or pieces. Candy shall not include
85 6 any preparation containing flour and shall require no
85 7 refrigeration.
85 8 c. "Dietary supplement" means any product, other than
85 9 tobacco, intended to supplement the diet that contains one or
85 10 more of the following dietary ingredients:
85 11 (1) A vitamin.
85 12 (2) A mineral.
85 13 (3) An herb or other botanical.
85 14 (4) An amino acid.
85 15 (5) A dietary substance for use by humans to supplement
85 16 the diet by increasing the total dietary intake.
85 17 (6) A concentrate, metabolite, constituent, extract, or
85 18 combination of any of the ingredients in subparagraphs (1)
85 19 through (5) that is intended for ingestion in tablet, capsule,
85 20 powder, softgel, gelcap, or liquid form, or if not intended
85 21 for ingestion in such a form, is not represented as
85 22 conventional food and is not represented for use as a sole
85 23 item of a meal or of the diet; and is required to be labeled
85 24 as a dietary supplement, identifiable by the "supplement
85 25 facts" box found on the label and as required pursuant to 21
85 26 C.F.R. } 101.36.
85 27 d. "Food and food ingredients" means substances, whether
85 28 in liquid, concentrated, solid, frozen, dried, or dehydrated
85 29 form, that are sold for ingestion or chewing by humans and are
85 30 consumed for their taste or nutritional value.
85 31 e. "Food sold through vending machines" means food
85 32 dispensed from a machine or other mechanical device that
85 33 accepts payment, other than food which would be qualified for
85 34 exemption under subsection 57 if purchased with a coupon
85 35 described in subsection 57.
86 1 f. "Prepared food" means any of following:
86 2 (1) Food sold in a heated state or heated by the seller,
86 3 including food sold by a caterer.
86 4 (2) Two or more food ingredients mixed or combined by the
86 5 seller for sale as a single item.
86 6 (3) "Prepared food", for the purposes of this paragraph,
86 7 does not include food that is any of the following:
86 8 (a) Only cut, repackaged, or pasteurized by the seller.
86 9 (b) Eggs, fish, meat, poultry, and foods containing these
86 10 raw animal foods requiring cooking by the consumer as
86 11 recommended by the United States food and drug administration
86 12 in chapter 3, part 401.11 of its food code, so as to prevent
86 13 food borne illnesses.
86 14 (c) Bakery items sold by the seller which baked them. The
86 15 words "bakery items" includes but is not limited to breads,
86 16 rolls, buns, biscuits, bagels, croissants, pastries, donuts,

86 17 Danish, cakes, tortes, pies, tarts, muffins, bars, cookies,
86 18 and tortillas.

86 19 (d) Food sold without eating utensils provided by the
86 20 seller in an unheated state as a single item which is priced
86 21 by weight or volume.

86 22 (4) Food sold with eating utensils provided by the seller,
86 23 including plates, knives, forks, spoons, glasses, cups,
86 24 napkins, or straws. A plate does not include a container or
86 25 packaging used to transport food.

86 26 g. "Soft drinks" means nonalcoholic beverages that contain
86 27 natural or artificial sweeteners. "Soft drinks" does not
86 28 include beverages that contain milk or milk products; soy,
86 29 rice, or similar milk substitutes; or greater than fifty
86 30 percent of vegetable or fruit juice by volume.

86 31 f. "Tobacco" means cigarettes, cigars, chewing or pipe
86 32 tobacco, or any other item that contains tobacco.

86 33 57. The sales price from the sale of items purchased with
86 34 coupons issued under the federal Food Stamp Act of 1977, 7
86 35 U.S.C. } 2011 et seq.

87 1 58. In transactions in which tangible personal property is
87 2 traded toward the sales price of other tangible personal
87 3 property, that portion of the sales price which is not payable
87 4 in money to the retailer is exempted from the taxable amount
87 5 if the following conditions are met:

87 6 a. The tangible personal property traded to the retailer
87 7 is the type of property normally sold in the regular course of
87 8 the retailer's business.

87 9 b. The tangible personal property traded to the retailer
87 10 is intended by the retailer to be ultimately sold at retail or
87 11 is intended to be used by the retailer or another in the
87 12 remanufacturing of a like item.

87 13 59. The sales price from the sale or rental of
87 14 prescription drugs or medical devices intended for human use
87 15 or consumption.

87 16 For the purposes of this subsection:

87 17 a. "Drug" means a compound, substance, or preparation, and
87 18 any component of a compound, substance, or preparation, other
87 19 than food and food ingredients, dietary supplements, or
87 20 alcoholic beverages which is any of the following:

87 21 (1) Recognized in the official United States
87 22 pharmacopoeia, official homeopathic pharmacopoeia of the
87 23 United States, or official national formulary, and supplement
87 24 to any of them.

87 25 (2) Intended for use in the diagnosis, cure, mitigation,
87 26 treatment, or prevention of disease.

87 27 (3) Intended to affect the structure or any function of
87 28 the body.

87 29 b. "Medical device" means equipment or a supply, intended
87 30 to be prescribed by a practitioner, including orthopedic or
87 31 orthotic devices. However, "medical device" also includes
87 32 prosthetic devices, ostomy, urological, and tracheostomy
87 33 equipment and supplies, and diabetic testing materials,
87 34 hypodermic syringes and needles, anesthesia trays, biopsy
87 35 trays and biopsy needles, cannula systems, catheter trays and
88 1 invasive catheters, dialyzers, drug infusion devices, fistula
88 2 sets, hemodialysis devices, insulin infusion devices,
88 3 intraocular lenses, irrigation solutions, intravenous
88 4 administering sets, solutions and stopcocks, myelogram trays,
88 5 nebulizers, small vein infusion kits, spinal puncture trays,
88 6 transfusion sets, venous blood sets, and oxygen equipment,
88 7 intended to be dispensed for human use with or without a
88 8 prescription to an ultimate user.

88 9 c. "Practitioner" means a practitioner as defined in
88 10 section 155A.3, or a person licensed to prescribe drugs.

88 11 d. "Prescription drug" means a drug intended to be
88 12 dispensed to an ultimate user pursuant to a prescription drug
88 13 order, formula, or recipe issued in any form of oral, written,
88 14 electronic, or other means of transmission by a duly licensed
88 15 practitioner, or oxygen or insulin dispensed for human
88 16 consumption with or without a prescription drug order or
88 17 medication order.

88 18 e. "Prosthetic device" means a replacement, corrective, or
88 19 supportive device including repair and replacement parts for
88 20 the same worn on or in the body to do any of the following:

88 21 (1) Artificially replace a missing portion of the body.
88 22 (2) Prevent or correct physical deformity or malfunction.
88 23 (3) Support a weak or deformed portion of the body.

88 24 f. "Ultimate user" means an individual who has lawfully
88 25 obtained and possesses a prescription drug or medical device
88 26 for the individual's own use or for the use of a member of the
88 27 individual's household, or an individual to whom a

prescription drug or medical device has been lawfully supplied, administered, dispensed, or prescribed.

60. The sales price from services furnished by aerial commercial and charter transportation services.

61. The sales price from the sale of raffle tickets for a raffle licensed pursuant to section 99B.5.

62. The sales price from the sale of tangible personal property which will be given as prizes to players in games of skill, games of chance, raffles, and bingo games as defined in chapter 99B.

63. The sales price from the sale of a modular home, as defined in section 435.1, to the extent of the portion of the purchase price of the modular home which is not attributable to the cost of the tangible personal property used in the processing of the modular home. For purposes of this exemption, the portion of the purchase price which is not attributable to the cost of the tangible personal property used in the processing of the modular home is forty percent.

64. The sales price from charges paid to a provider for access to on-line computer services. For purposes of this subsection, "on-line computer service" means a service that provides or enables computer access by multiple users to the internet or to other information made available through a computer server.

65. The sales price from the sale or rental of information services. "Information services" means every business activity, process, or function by which a seller or its agent accumulates, prepares, organizes, or conveys data, facts, knowledge, procedures, and like services to a buyer or its agent of such information through any tangible or intangible medium. Information accumulated, prepared, or organized for a buyer or its agent is an information service even though it may incorporate preexisting components of data or other information. "Information services" includes, but is not limited to, database files, mailing lists, subscription files, market research, credit reports, surveys, real estate listings, bond rating reports, abstracts of title, bad check lists, broadcasting rating services, wire services, and scouting reports, or other similar items.

66. The sales price of a sale at retail if the substance of the transaction is delivered to the purchaser digitally, electronically, or utilizing cable, or by radio waves, microwaves, satellites, or fiber optics.

67. a. The sales price from the sale of an article of clothing designed to be worn on or about the human body if all of the following apply:

- (1) The sales price of the article is less than one hundred dollars.
- (2) The sale takes place during a period beginning at 12:01 a.m. on the first Friday in August and ending at midnight on the following Saturday.

b. This subsection does not apply to any of the following:

- (1) Sport or recreational equipment and protective equipment.
- (2) Clothing accessories or equipment.
- (3) The rental of clothing.

c. For purposes of this subsection:

- (1) "Clothing" means all human wearing apparel suitable for general use. "Clothing" includes, but is not limited to the following: aprons, household and shop; athletic supporters; baby receiving blankets; bathing suits and caps; beach capes and coats; belts and suspenders; boots; coats and jackets; costumes; diapers (children and adults, including disposable diapers); earmuffs; footlets; formal wear; garters and garter belts; girdles; gloves and mittens for general use; hats and caps; hosiery; insoles for shoes; lab coats; neckties; overshoes; pantyhose; rainwear; rubber pants; sandals; scarves; shoes and shoelaces; slippers; sneakers; socks and stockings; steel-toed shoes; underwear; uniforms, athletic and nonathletic; and wedding apparel. "Clothing" does not include the following: belt buckles sold separately; costume masks sold separately; patches and emblems sold separately; sewing equipment and supplies (including, but not limited to, knitting needles, patterns, pins, scissors, sewing machines, sewing needles, tape measures, and thimbles); and sewing materials that become part of clothing (including, but not limited to, buttons, fabric, lace, thread, yarn, and zippers).
- (2) "Clothing accessories or equipment" means incidental items worn on the person or in conjunction with clothing. "Clothing accessories or equipment" includes, but is not

91 4 limited to, the following: briefcases; cosmetics; hair
91 5 notions (including, but not limited to, barrettes, hair bows,
91 6 and hair nets); handbags; handkerchiefs; jewelry; sunglasses,
91 7 nonprescription; umbrellas; wallets; watches; and wigs and
91 8 hairpieces.
91 9 (3) "Protective equipment" means items for human wear and
91 10 designed as protection for the wearer against injury or
91 11 disease or as protection against damage or injury of other
91 12 persons or property but not suitable for general use.
91 13 "Protective equipment" includes, but is not limited to, the
91 14 following: breathing masks; clean room apparel and equipment;
91 15 ear and hearing protectors; face shields; hard hats; helmets;
91 16 paint or dust respirators; protective gloves; safety glasses
91 17 and goggles; safety belts; tool belts; and welders gloves and
91 18 masks.
91 19 (4) "Sport or recreational equipment" means items designed
91 20 for human use and worn in conjunction with an athletic or
91 21 recreational activity that are not suitable for general use.
91 22 "Sport or recreational equipment" includes, but is not limited
91 23 to, the following: ballet and tap shoes; cleated or spiked
91 24 athletic shoes; gloves (including, but not limited to,
91 25 baseball, bowling, boxing, hockey, and golf); goggles; hand
91 26 and elbow guards; life preservers and vests; mouth guards;
91 27 roller and ice skates; shin guards; shoulder pads; ski boots;
91 28 waders; and wetsuits and fins.
91 29 68. a. Subject to paragraph "b", the sales price from the
91 30 sale or furnishing of metered gas, electricity, and fuel,
91 31 including propane and heating oil, to residential customers
91 32 which is used to provide energy for residential dwellings and
91 33 units of apartment and condominium complexes used for human
91 34 occupancy.
91 35 b. The exemption in this subsection shall be phased in by
92 1 means of a reduction in the tax rate as follows:
92 2 (1) If the date of the utility billing or meter reading
92 3 cycle of the residential customer for the sale or furnishing
92 4 of metered gas and electricity is on or after January 1, 2002,
92 5 through December 31, 2002, or if the sale or furnishing of
92 6 fuel for purposes of residential energy and the delivery of
92 7 the fuel occurs on or after January 1, 2002, through December
92 8 31, 2002, the rate of tax is four percent of the sales price.
92 9 (2) If the date of the utility billing or meter reading
92 10 cycle of the residential customer for the sale or furnishing
92 11 of metered gas and electricity is on or after January 1, 2003,
92 12 through June 30, 2008, or if the sale or furnishing of fuel
92 13 for purposes of residential energy and the delivery of the
92 14 fuel occurs on or after January 1, 2003, through June 30,
92 15 2008, the rate of tax is three percent of the sales price.
92 16 (3) If the date of the utility billing or meter reading
92 17 cycle of the residential customer for the sale or furnishing
92 18 of metered gas and electricity is on or after July 1, 2008,
92 19 through June 30, 2009, or if the sale or furnishing of fuel
92 20 for purposes of residential energy and the delivery of the
92 21 fuel occurs on or after July 1, 2008, through June 30, 2009,
92 22 the rate of tax is two percent of the sales price.
92 23 (4) If the date of the utility billing or meter reading
92 24 cycle of the residential customer for the sale or furnishing
92 25 of metered gas and electricity is on or after July 1, 2009,
92 26 through June 30, 2010, or if the sale or furnishing of fuel
92 27 for purposes of residential energy and the delivery of the
92 28 fuel occurs on or after July 1, 2009, through June 30, 2010,
92 29 the rate of tax is one percent of the sales price.
92 30 (5) If the date of the utility billing or meter reading
92 31 cycle of the residential customer for the sale or furnishing
92 32 of metered gas and electricity is on or after July 1, 2010, or
92 33 if the sale, furnishing, or service of fuel for purposes of
92 34 residential energy and the delivery of the fuel occurs on or
92 35 after July 1, 2010, the rate of tax is zero percent of the
93 1 sales price.
93 2 c. The exemption in this subsection does not apply to
93 3 local option sales and services tax imposed pursuant to
93 4 chapters 423B and 423E.
93 5 69. The sales price from charges paid for the delivery of
93 6 electricity or natural gas if the sale or furnishing of the
93 7 electricity or natural gas or its use is exempt from the tax
93 8 on sales prices imposed under this subchapter or from the use
93 9 tax imposed under subchapter III.
93 10 70. The sales price from the sales, furnishing, or service
93 11 of transportation service except the rental of recreational
93 12 vehicles or recreational boats, except the rental of motor
93 13 vehicles subject to registration which are registered for a
93 14 gross weight of thirteen tons or less for a period of sixty

93 15 days or less, and except the rental of aircraft for a period
93 16 of sixty days or less. This exemption does not apply to the
93 17 transportation of electric energy or natural gas.

93 18 71. The sales price from sales of tangible personal
93 19 property used or to be used as railroad rolling stock for
93 20 transporting persons or property, or as materials or parts
93 21 therefor.

93 22 72. The sales price from the sales of special fuel for
93 23 diesel engines consumed or used in the operation of ships,
93 24 barges, or waterborne vessels which are used primarily in or
93 25 for the transportation of property or cargo, or the conveyance
93 26 of persons for hire on rivers bordering on the state if the
93 27 fuel is delivered by the seller to the purchaser's barge,
93 28 ship, or waterborne vessel while it is afloat upon such a
93 29 river.

93 30 73. The sales price from sales of vehicles subject to
93 31 registration or subject only to the issuance of a certificate
93 32 of title and sales of aircraft subject to registration under
93 33 section 328.20.

93 34 74. The sales price from the sale of aircraft for use in a
93 35 scheduled interstate federal aviation administration
94 1 certificated air carrier operation.

94 2 75. The sales price from the sale or rental of aircraft;
94 3 the sale or rental of tangible personal property permanently
94 4 affixed or attached as a component part of the aircraft,
94 5 including but not limited to repair or replacement materials
94 6 or parts; and the sales price of all services used for
94 7 aircraft repair, remodeling, and maintenance services when
94 8 such services are performed on aircraft, aircraft engines, or
94 9 aircraft component materials or parts. For the purposes of
94 10 this exemption, "aircraft" means aircraft used in a scheduled
94 11 interstate federal aviation administration certificated air
94 12 carrier operation.

94 13 76. The sales price from the sale or rental of tangible
94 14 personal property permanently affixed or attached as a
94 15 component part of the aircraft, including but not limited to
94 16 repair or replacement materials or parts; and the sales price
94 17 of all services used for aircraft repair, remodeling, and
94 18 maintenance services when such services are performed on
94 19 aircraft, aircraft engines, or aircraft component materials or
94 20 parts. For the purposes of this exemption, "aircraft" means
94 21 aircraft used in nonscheduled interstate federal aviation
94 22 administration certificated air carrier operation operating
94 23 under 14 C.F.R. ch. 1, pt. 135.

94 24 77. The sales price from the sale of aircraft to an
94 25 aircraft dealer who in turn rents or leases the aircraft if
94 26 all of the following apply:

94 27 a. The aircraft is kept in the inventory of the dealer for
94 28 sale at all times.

94 29 b. The dealer reserves the right to immediately take the
94 30 aircraft from the renter or lessee when a buyer is found.

94 31 c. The renter or lessee is aware that the dealer will
94 32 immediately take the aircraft when a buyer is found.

94 33 If an aircraft exempt under this subsection is used for any
94 34 purpose other than leasing or renting, or the conditions in
94 35 paragraphs "a", "b", and "c" are not continuously met, the
95 1 dealer claiming the exemption under this subsection is liable
95 2 for the tax that would have been due except for this
95 3 subsection. The tax shall be computed upon the original
95 4 purchase price.

95 5 78. The sales price from sales or rental of tangible
95 6 personal property, or services rendered by any entity where
95 7 the profits from the sales or rental of the tangible personal
95 8 property, or services rendered are used by or donated to a
95 9 nonprofit entity which is exempt from federal income taxation
95 10 pursuant to section 501(c)(3) of the Internal Revenue Code, a
95 11 government entity, or a nonprofit private educational
95 12 institution, and where the entire proceeds from the sales,
95 13 rental, or services are expended for any of the following
95 14 purposes:

95 15 a. Educational.

95 16 b. Religious.

95 17 c. Charitable. A charitable act is an act done out of
95 18 goodwill, benevolence, and a desire to add to or to improve
95 19 the good of humankind in general or any class or portion of
95 20 humankind, with no pecuniary profit inuring to the person
95 21 performing the service or giving the gift.

95 22 This exemption does not apply to the sales price from games
95 23 of skill, games of chance, raffles, and bingo games as defined
95 24 in chapter 99B. This exemption is disallowed on the amount of
95 25 the sales price only to the extent the profits from the sales,

95 26 rental, or services are not used by or donated to the
95 27 appropriate entity and expended for educational, religious, or
95 28 charitable purposes.

95 29 79. The sales price from the sale or rental of tangible
95 30 personal property or from services furnished to a recognized
95 31 community action agency as provided in section 216A.93 to be
95 32 used for the purposes of the agency.

95 33 80. a. For purposes of this subsection, "designated
95 34 exempt entity" means an entity which is designated in section
95 35 423.4, subsection 1.

96 1 b. If a contractor, subcontractor, or builder is to use
96 2 building materials, supplies, and equipment in the performance
96 3 of a construction contract with a designated exempt entity,
96 4 the person shall purchase such items of tangible personal
96 5 property without liability for the tax if such property will
96 6 be used in the performance of the construction contract and a
96 7 purchasing agent authorization letter and an exemption
96 8 certificate, issued by the designated exempt entity, are
96 9 presented to the retailer.

96 10 c. Where the owner, contractor, subcontractor, or builder
96 11 is also a retailer holding a retail sales tax permit and
96 12 transacting retail sales of building materials, supplies, and
96 13 equipment, the tax shall not be due when materials are
96 14 withdrawn from inventory for use in construction performed for
96 15 a designated exempt entity if an exemption certificate is
96 16 received from such entity.

96 17 d. Tax shall not apply to tangible personal property
96 18 purchased and consumed by a manufacturer as building
96 19 materials, supplies, or equipment in the performance of a
96 20 construction contract for a designated exempt entity, if a
96 21 purchasing agent authorization letter and an exemption
96 22 certificate are received from such entity and presented to a
96 23 retailer.

96 24 81. The sales price from the sales of lottery tickets or
96 25 shares pursuant to chapter 99G.

96 26 82. The sales price from the sale or rental of core and
96 27 mold making equipment and sand handling equipment directly and
96 28 primarily used in the mold making process by a foundry.

96 29 83. The sales price from noncustomer point of sale or
96 30 noncustomer automated teller machine access or service charges
96 31 assessed by a financial institution. For purposes of this
96 32 subsection, "financial institution" means the same as defined
96 33 in section 527.2.

96 34 Sec. 97. NEW SECTION. 423.4 REFUNDS.

96 35 1. A private nonprofit educational institution in this
97 1 state, nonprofit private museum in this state, tax-certifying
97 2 or tax-levying body or governmental subdivision of the state,
97 3 including the state board of regents, state department of
97 4 human services, state department of transportation, a
97 5 municipally owned solid waste facility which sells all or part
97 6 of its processed waste as fuel to a municipally owned public
97 7 utility, and all divisions, boards, commissions, agencies, or
97 8 instrumentalities of state, federal, county, or municipal
97 9 government which do not have earnings going to the benefit of
97 10 an equity investor or stockholder, may make application to the
97 11 department for the refund of the sales or use tax upon the
97 12 sales price of all sales of goods, wares, or merchandise, or
97 13 from services furnished to a contractor, used in the
97 14 fulfillment of a written contract with the state of Iowa, any
97 15 political subdivision of the state, or a division, board,
97 16 commission, agency, or instrumentality of the state or a
97 17 political subdivision, a private nonprofit educational
97 18 institution in this state, or a nonprofit private museum in
97 19 this state if the property becomes an integral part of the
97 20 project under contract and at the completion of the project
97 21 becomes public property, is devoted to educational uses, or
97 22 becomes a nonprofit private museum; except goods, wares, or
97 23 merchandise, or services furnished which are used in the
97 24 performance of any contract in connection with the operation
97 25 of any municipal utility engaged in selling gas, electricity,
97 26 or heat to the general public or in connection with the
97 27 operation of a municipal pay television system; and except
97 28 goods, wares, and merchandise used in the performance of a
97 29 contract for a "project" under chapter 419 as defined in that
97 30 chapter other than goods, wares, or merchandise used in the
97 31 performance of a contract for a "project" under chapter 419
97 32 for which a bond issue was approved by a municipality prior to
97 33 July 1, 1968, or for which the goods, wares, or merchandise
97 34 becomes an integral part of the project under contract and at
97 35 the completion of the project becomes public property or is
98 1 devoted to educational uses.

98 2 a. Such contractor shall state under oath, on forms
98 3 provided by the department, the amount of such sales of goods,
98 4 wares, or merchandise, or services furnished and used in the
98 5 performance of such contract, and upon which sales or use tax
98 6 has been paid, and shall file such forms with the governmental
98 7 unit, private nonprofit educational institution, or nonprofit
98 8 private museum which has made any written contract for
98 9 performance by the contractor. The forms shall be filed by
98 10 the contractor with the governmental unit, educational
98 11 institution, or nonprofit private museum before final
98 12 settlement is made.

98 13 b. Such governmental unit, educational institution, or
98 14 nonprofit private museum shall, not more than one year after
98 15 the final settlement has been made, make application to the
98 16 department for any refund of the amount of the sales or use
98 17 tax which shall have been paid upon any goods, wares, or
98 18 merchandise, or services furnished, the application to be made
98 19 in the manner and upon forms to be provided by the department,
98 20 and the department shall forthwith audit the claim and, if
98 21 approved, issue a warrant to the governmental unit,
98 22 educational institution, or nonprofit private museum in the
98 23 amount of the sales or use tax which has been paid to the
98 24 state of Iowa under the contract.

98 25 Refunds authorized under this subsection shall accrue
98 26 interest at the rate in effect under section 421.7 from the
98 27 first day of the second calendar month following the date the
98 28 refund claim is received by the department.

98 29 c. Any contractor who willfully makes a false report of
98 30 tax paid under the provisions of this subsection is guilty of
98 31 a simple misdemeanor and in addition shall be liable for the
98 32 payment of the tax and any applicable penalty and interest.

98 33 2. The refund of sales and use tax paid on transportation
98 34 construction projects let by the state department of
98 35 transportation is subject to the special provisions of this
99 1 subsection.

99 2 a. A contractor awarded a contract for a transportation
99 3 construction project is considered the consumer of all
99 4 building materials, building supplies, and equipment and shall
99 5 pay sales tax to the supplier or remit consumer use tax
99 6 directly to the department.

99 7 b. The contractor is not required to file information with
99 8 the state department of transportation stating the amount of
99 9 goods, wares, or merchandise, or services rendered, furnished,
99 10 or performed and used in the performance of the contract or
99 11 the amount of sales or use tax paid.

99 12 c. The state department of transportation shall file a
99 13 refund claim based on a formula that considers the following:

99 14 (1) The quantity of material to complete the contract, and
99 15 quantities of items of work.

99 16 (2) The estimated cost of these materials included in the
99 17 items of work, and the state sales or use tax to be paid on
99 18 the tax rate in effect in section 423.2. The quantity of
99 19 materials shall be determined after each letting based on the
99 20 contract quantities of all items of work let to contract. The
99 21 quantity of individual component materials required for each
99 22 item shall be determined and maintained in a database. The
99 23 total quantities of materials shall be determined by
99 24 multiplying the quantities of component materials for each
99 25 contract item of work by the total quantities of each contract
99 26 item for each letting. Where variances exist in the cost of
99 27 materials, the lowest cost shall be used as the base cost.

99 28 d. Only the state sales or use tax is refundable. Local
99 29 option taxes paid by the contractor are not refundable.

99 30 3. A relief agency may apply to the director for refund of
99 31 the amount of sales or use tax imposed and paid upon sales to
99 32 it of any goods, wares, merchandise, or services furnished,
99 33 used for free distribution to the poor and needy.

99 34 a. The refunds may be obtained only in the following
99 35 amounts and manner and only under the following conditions:

100 1 (1) On forms furnished by the department, and filed within
100 2 the time as the director shall provide by rule, the relief
100 3 agency shall report to the department the total amount or
100 4 amounts, valued in money, expended directly or indirectly for
100 5 goods, wares, merchandise, or services furnished, used for
100 6 free distribution to the poor and needy.

100 7 (2) On these forms the relief agency shall separately list
100 8 the persons making the sales to it or to its order, together
100 9 with the dates of the sales, and the total amount so expended
100 10 by the relief agency.

100 11 (3) The relief agency must prove to the satisfaction of
100 12 the director that the person making the sales has included the

100 13 amount thereof in the computation of the sales price of such
100 14 person and that such person has paid the tax levied by this
100 15 subchapter or subchapter III, based upon such computation of
100 16 the sales price.

100 17 b. If satisfied that the foregoing conditions and
100 18 requirements have been complied with, the director shall
100 19 refund the amount claimed by the relief agency.

100 20 SUBCHAPTER III

100 21 USE TAX

100 22 Sec. 98. NEW SECTION. 423.5 IMPOSITION OF TAX.

100 23 An excise tax at the rate of five percent of the purchase
100 24 price or installed purchase price is imposed on the following:

100 25 1. The use in this state of tangible personal property as
100 26 defined in section 423.1, including aircraft subject to
100 27 registration under section 328.20, purchased for use in this
100 28 state. For the purposes of this subchapter, the furnishing or
100 29 use of the following services is also treated as the use of
100 30 tangible personal property: optional service or warranty
100 31 contracts, except residential service contracts regulated
100 32 under chapter 523C, vulcanizing, recapping, or retreading
100 33 services, engraving, photography, retouching, printing, or
100 34 binding services, and communication service when furnished or
100 35 delivered to consumers or users within this state.

101 1 2. The use of manufactured housing in this state, on the
101 2 purchase price if the manufactured housing is sold in the form
101 3 of tangible personal property or on the installed purchase
101 4 price if the manufactured housing is sold in the form of
101 5 realty.

101 6 3. The use of leased vehicles, on the amount subject to
101 7 tax as calculated pursuant to section 423.27.

101 8 4. Purchases of tangible personal property made from the
101 9 government of the United States or any of its agencies by
101 10 ultimate consumers shall be subject to the tax imposed by this
101 11 section. Services purchased from the same source or sources
101 12 shall be subject to the service tax imposed by this subchapter
101 13 and apply to the user of the services.

101 14 5. The use in this state of services enumerated in section
101 15 423.2. This tax is applicable where services are furnished in
101 16 this state or where the product or result of the service is
101 17 used in this state.

101 18 6. The excise tax is imposed upon every person using the
101 19 property within this state until the tax has been paid
101 20 directly to the county treasurer, the state department of
101 21 transportation, a retailer, or the department. This tax is
101 22 imposed on every person using the services or the product of
101 23 the services in this state until the user has paid the tax
101 24 either to an Iowa use tax permit holder or to the department.

101 25 7. For the purpose of the proper administration of the use
101 26 tax and to prevent its evasion, evidence that tangible
101 27 personal property was sold by any person for delivery in this
101 28 state shall be prima facie evidence that such tangible
101 29 personal property was sold for use in this state.

101 30 Sec. 99. NEW SECTION. 423.6 EXEMPTIONS.

101 31 The use in this state of the following tangible personal
101 32 property and services is exempted from the tax imposed by this
101 33 subchapter:

101 34 1. Tangible personal property and enumerated services, the
101 35 sales price from the sale of which are required to be included
102 1 in the measure of the sales tax, if that tax has been paid to
102 2 the department or the retailer. This exemption does not
102 3 include vehicles subject to registration or subject only to
102 4 the issuance of a certificate of title.

102 5 2. The sale of tangible personal property or the
102 6 furnishing of services in the regular course of business.

102 7 3. Property used in processing. The use of property in
102 8 processing within the meaning of this subsection shall mean
102 9 and include any of the following:

102 10 a. Any tangible personal property including containers
102 11 which it is intended shall, by means of fabrication,
102 12 compounding, manufacturing, or germination, become an integral
102 13 part of other tangible personal property intended to be sold
102 14 ultimately at retail, and containers used in the collection,
102 15 recovery, or return of empty beverage containers subject to
102 16 chapter 455C.

102 17 b. Fuel which is consumed in creating power, heat, or
102 18 steam for processing or for generating electric current.

102 19 c. Chemicals, solvents, sorbents, or reagents, which are
102 20 directly used and are consumed, dissipated, or depleted in
102 21 processing tangible personal property which is intended to be
102 22 sold ultimately at retail, and which may not become a
102 23 component or integral part of the finished product.

102 24 d. The distribution to the public of free newspapers or
102 25 shoppers guides shall be deemed a retail sale for purposes of
102 26 the processing exemption in this subsection.

102 27 4. All articles of tangible personal property brought into
102 28 the state of Iowa by a nonresident individual for the
102 29 individual's use or enjoyment while within the state.

102 30 5. Services exempt from taxation by the provisions of
102 31 section 423.3.

102 32 6. Tangible personal property or services the sales price
102 33 of which is exempt from the sales tax under section 423.3,
102 34 except subsections 39 and 73, as it relates to the sale, but
102 35 not the lease or rental, of vehicles subject to registration
103 1 or subject only to the issuance of a certificate of title and
103 2 as it relates to aircraft subject to registration under
103 3 section 328.20.

103 4 7. Advertisement and promotional material and matter, seed
103 5 catalogs, envelopes for same, and other similar material
103 6 temporarily stored in this state which are acquired outside of
103 7 Iowa and which, subsequent to being brought into this state,
103 8 are sent outside of Iowa, either singly or physically attached
103 9 to other tangible personal property sent outside of Iowa.

103 10 8. Vehicles, as defined in section 321.1, subsections 41,
103 11 64A, 71, 85, and 88, except such vehicles subject to
103 12 registration which are designed primarily for carrying
103 13 persons, when purchased for lease and actually leased to a
103 14 lessee for use outside the state of Iowa and the subsequent
103 15 sole use in Iowa is in interstate commerce or interstate
103 16 transportation.

103 17 9. Tangible personal property which, by means of
103 18 fabrication, compounding, or manufacturing, becomes an
103 19 integral part of vehicles, as defined in section 321.1,
103 20 subsections 41, 64A, 71, 85, and 88, manufactured for lease
103 21 and actually leased to a lessee for use outside the state of
103 22 Iowa and the subsequent sole use in Iowa is in interstate
103 23 commerce or interstate transportation. Vehicles subject to
103 24 registration which are designed primarily for carrying persons
103 25 are excluded from this subsection.

103 26 10. Vehicles subject to registration which are transferred
103 27 from a business or individual conducting a business within
103 28 this state as a sole proprietorship, partnership, or limited
103 29 liability company to a corporation formed by the sole
103 30 proprietorship, partnership, or limited liability company for
103 31 the purpose of continuing the business when all of the stock
103 32 of the corporation so formed is owned by the sole proprietor
103 33 and the sole proprietor's spouse, by all the partners in the
103 34 case of a partnership, or by all the members in the case of a
103 35 limited liability company. This exemption is equally
104 1 available where the vehicles subject to registration are
104 2 transferred from a corporation to a sole proprietorship,
104 3 partnership, or limited liability company formed by that
104 4 corporation for the purpose of continuing the business when
104 5 all of the incidents of ownership are owned by the same person
104 6 or persons who were stockholders of the corporation.

104 7 This exemption also applies where the vehicles subject to
104 8 registration are transferred from a corporation as part of the
104 9 liquidation of the corporation to its stockholders if within
104 10 three months of such transfer the stockholders retransfer
104 11 those vehicles subject to registration to a sole
104 12 proprietorship, partnership, or limited liability company for
104 13 the purpose of continuing the business of the corporation when
104 14 all of the incidents of ownership are owned by the same person
104 15 or persons who were stockholders of the corporation.

104 16 10A. Vehicles subject to registration which are
104 17 transferred from a corporation that is primarily engaged in
104 18 the business of leasing vehicles subject to registration to a
104 19 corporation that is primarily engaged in the business of
104 20 leasing vehicles subject to registration when the transferor
104 21 and transferee corporations are part of the same controlled
104 22 group for federal income tax purposes.

104 23 11. Vehicles registered or operated under chapter 326 and
104 24 used substantially in interstate commerce, section 423.5,
104 25 subsection 7, notwithstanding. For purposes of this
104 26 subsection, "substantially in interstate commerce" means that
104 27 a minimum of twenty-five percent of the miles operated by the
104 28 vehicle accrues in states other than Iowa. This subsection
104 29 applies only to vehicles which are registered for a gross
104 30 weight of thirteen tons or more.

104 31 For purposes of this subsection, trailers and semitrailers
104 32 registered or operated under chapter 326 are deemed to be used
104 33 substantially in interstate commerce and to be registered for
104 34 a gross weight of thirteen tons or more.

104 35 For the purposes of this subsection, if a vehicle meets the
105 1 requirement that twenty-five percent of the miles operated
105 2 accrues in states other than Iowa in each year of the first
105 3 four-year period of operation, the exemption from use tax
105 4 shall continue until the vehicle is sold or transferred. If
105 5 the vehicle is found to have not met the exemption
105 6 requirements or the exemption was revoked, the value of the
105 7 vehicle upon which the use tax shall be imposed is the book or
105 8 market value, whichever is less, at the time the exemption
105 9 requirements were not met or the exemption was revoked.

105 10 12. Mobile homes and manufactured housing the use of which
105 11 has previously been subject to the tax imposed under this
105 12 subchapter and for which that tax has been paid.

105 13 13. Mobile homes to the extent of the portion of the
105 14 purchase price of the mobile home which is not attributable to
105 15 the cost of the tangible personal property used in the
105 16 processing of the mobile home, and manufactured housing to the
105 17 extent of the purchase price or the installed purchase price
105 18 of the manufactured housing which is not attributable to the
105 19 cost of the tangible personal property used in the processing
105 20 of the manufactured housing. For purposes of this exemption,
105 21 the portion of the purchase price which is not attributable to
105 22 the cost of the tangible personal property used in the
105 23 processing of the mobile home is forty percent and the portion
105 24 of the purchase price or installed purchase price which is not
105 25 attributable to the cost of the tangible personal property
105 26 used in the processing of the manufactured housing is forty
105 27 percent.

105 28 14. Tangible personal property used or to be used as a
105 29 ship, barge, or waterborne vessel which is used or to be used
105 30 primarily in or for the transportation of property or cargo
105 31 for hire on the rivers bordering the state or as materials or
105 32 parts of such ship, barge, or waterborne vessel.

105 33 15. Vehicles subject to registration in any state when
105 34 purchased for rental or registered and titled by a motor
105 35 vehicle dealer licensed pursuant to chapter 322 for rental
106 1 use, and held for rental for a period of one hundred twenty
106 2 days or more and actually rented for periods of sixty days or
106 3 less by a person regularly engaged in the business of renting
106 4 vehicles including, but not limited to, motor vehicle dealers
106 5 licensed pursuant to chapter 322 who rent automobiles to
106 6 users, if the rental of the vehicles is subject to taxation
106 7 under chapter 423C.

106 8 16. Motor vehicles subject to registration which were
106 9 registered and titled between July 1, 1982, and July 1, 1992,
106 10 to a motor vehicle dealer licensed under chapter 322 and which
106 11 were rented to a user as defined in section 423C.2 if the
106 12 following occurred:

106 13 a. The dealer kept the vehicle on the inventory of
106 14 vehicles for sale at all times.

106 15 b. The vehicle was to be immediately taken from the user
106 16 of the vehicle when a buyer was found.

106 17 c. The user was aware of this situation.

106 18 17. Vehicles subject to registration under chapter 321,
106 19 with a gross vehicle weight rating of less than sixteen
106 20 thousand pounds, excluding motorcycles and motorized bicycles,
106 21 when purchased for lease and titled by the lessor licensed
106 22 pursuant to chapter 321F and actually leased for a period of
106 23 twelve months or more if the lease of the vehicle is subject
106 24 to taxation under section 423.27.

106 25 A lessor may maintain the exemption from use tax under this
106 26 subsection for a qualifying lease that terminates at the
106 27 conclusion or prior to the contracted expiration date, if the
106 28 lessor does not use the vehicle for any purpose other than for
106 29 lease. Once the vehicle is used by the lessor for a purpose
106 30 other than for lease, the exemption from use tax under this
106 31 subsection no longer applies and, unless there is an exemption
106 32 from the use tax, use tax is due on the fair market value of
106 33 the vehicle determined at the time the lessor uses the vehicle
106 34 for a purpose other than for lease, payable to the department.
106 35 If the lessor holds the vehicle exclusively for sale, use tax
107 1 is due and payable on the purchase price of the vehicle at the
107 2 time of purchase pursuant to this subchapter.

107 3 18. Aircraft for use in a scheduled interstate federal
107 4 aviation administration certificated air carrier operation.

107 5 19. Aircraft; tangible personal property permanently
107 6 affixed or attached as a component part of the aircraft,
107 7 including but not limited to repair or replacement materials
107 8 or parts; and all services used for aircraft repair,
107 9 remodeling, and maintenance services when such services are
107 10 performed on aircraft, aircraft engines, or aircraft component

107 11 materials or parts. For the purposes of this exemption,
107 12 "aircraft" means aircraft used in a scheduled interstate
107 13 federal aviation administration certificated air carrier
107 14 operation.
107 15 20. Tangible personal property permanently affixed or
107 16 attached as a component part of the aircraft, including but
107 17 not limited to repair or replacement materials or parts; and
107 18 all services used for aircraft repair, remodeling, and
107 19 maintenance services when such services are performed on
107 20 aircraft, aircraft engines, or aircraft component materials or
107 21 parts. For the purposes of this exemption, "aircraft" means
107 22 aircraft used in a nonscheduled interstate federal aviation
107 23 administration certificated air carrier operation operating
107 24 under 14 C.F.R., ch. 1, pt. 135.
107 25 21. Aircraft sold to an aircraft dealer who in turn rents
107 26 or leases the aircraft if all of the following apply:
107 27 a. The aircraft is kept in the inventory of the dealer for
107 28 sale at all times.
107 29 b. The dealer reserves the right to immediately take the
107 30 aircraft from the renter or lessee when a buyer is found.
107 31 c. The renter or lessee is aware that the dealer will
107 32 immediately take the aircraft when a buyer is found.
107 33 If an aircraft exempt under this subsection is used for any
107 34 purpose other than leasing or renting, or the conditions in
107 35 paragraphs "a", "b", and "c" are not continuously met, the
108 1 dealer claiming the exemption under this subsection is liable
108 2 for the tax that would have been due except for this
108 3 subsection. The tax shall be computed upon the original
108 4 purchase price.
108 5 22. The use in this state of building materials, supplies,
108 6 or equipment, the sale or use of which is not treated as a
108 7 retail sale or a sale at retail under section 423.2,
108 8 subsection 1.
108 9 23. Exempted from the purchase price of any vehicle
108 10 subject to registration is:
108 11 a. The amount of any cash rebate which is provided by a
108 12 motor vehicle manufacturer to the purchaser of the vehicle
108 13 subject to registration so long as the rebate is applied to
108 14 the purchase price of the vehicle.
108 15 b. That in transactions, except those subject to paragraph
108 16 "c", in which tangible personal property is traded toward the
108 17 purchase price of other tangible personal property the
108 18 purchase price is only that portion of the purchase price
108 19 which is payable in money to the retailer if the following
108 20 conditions are met:
108 21 (1) The tangible personal property traded to the retailer
108 22 is the type of property normally sold in the regular course of
108 23 the retailer's business.
108 24 (2) The tangible personal property traded to the retailer
108 25 is intended by the retailer to be ultimately sold at retail or
108 26 is intended to be used by the retailer or another in the
108 27 remanufacturing of a like item.
108 28 c. In a transaction between persons, neither of which is a
108 29 retailer of vehicles subject to registration, in which a
108 30 vehicle subject to registration is traded toward the purchase
108 31 price of another vehicle subject to registration, the amount
108 32 of the trade-in value allowed on the vehicle subject to
108 33 registration traded.

108 34 SUBCHAPTER IV

108 35 UNIFORM SALES AND USE TAX ADMINISTRATION ACT

109 1 Sec. 100. NEW SECTION. 423.7 TITLE.

109 2 This subchapter shall be known and may be cited as the
109 3 "Uniform Sales and Use Tax Administration Act".

109 4 Sec. 101. NEW SECTION. 423.8 LEGISLATIVE FINDING AND
109 5 INTENT.

109 6 The general assembly finds that Iowa should enter into an
109 7 agreement with one or more states to simplify and modernize
109 8 sales and use tax administration in order to substantially
109 9 reduce the burden of tax compliance for all sellers and for
109 10 all types of commerce. It is the intent of the general
109 11 assembly that entering into this agreement will lead to
109 12 simplification and modernization of the sales and use tax law
109 13 and not to the imposition of new taxes or an increase or
109 14 decrease in the existing number of exemptions, unless such a
109 15 result is unavoidable under the terms of the agreement.

109 16 Sec. 102. NEW SECTION. 423.9 AUTHORITY TO ENTER
109 17 AGREEMENT AND TO REPRESENT THE STATE.

109 18 The director is authorized and directed to enter into the
109 19 streamlined sales and use tax agreement with one or more
109 20 states to simplify and modernize sales and use tax
109 21 administration in order to substantially reduce the burden of

109 22 tax compliance for all sellers and for all types of commerce.
109 23 The director is further authorized to take other actions
109 24 reasonably required to implement the provisions set forth in
109 25 this chapter. Other actions authorized by this section
109 26 include, but are not limited to, the adoption of rules and the
109 27 joint procurement, with other member states, of goods and
109 28 services in furtherance of the cooperative agreement.
109 29 The director or the director's designee is authorized to be
109 30 a member of the governing board established pursuant to the
109 31 agreement and to represent Iowa before that body.
109 32 Sec. 103. NEW SECTION. 423.10 RELATIONSHIP TO STATE LAW.
109 33 Entry into the agreement by the director does not amend or
109 34 modify any law of this state. Implementation of any condition
109 35 of the agreement in this state, whether adopted before, at, or
110 1 after membership of this state in the agreement, shall be by
110 2 action of the general assembly.
110 3 Sec. 104. NEW SECTION. 423.11 AGREEMENT REQUIREMENTS.
110 4 The director shall not enter into the agreement unless the
110 5 agreement requires each state to abide by the following
110 6 requirements:
110 7 1. UNIFORM STATE RATE. The agreement must set
110 8 restrictions to achieve more uniform state rates through the
110 9 following:
110 10 a. Limiting the number of state rates.
110 11 b. Limiting the application of maximums on the amount of
110 12 state tax that is due on a transaction.
110 13 c. Limiting the application of thresholds on the
110 14 application of state tax.
110 15 2. UNIFORM STANDARDS. The agreement must establish
110 16 uniform standards for the following:
110 17 a. The sourcing of transactions to taxing jurisdictions.
110 18 b. The administration of exempt sales.
110 19 c. The allowances a seller can take for bad debts.
110 20 d. Sales and use tax returns and remittances.
110 21 3. UNIFORM DEFINITIONS. The agreement must require states
110 22 to develop and adopt uniform definitions of sales and use tax
110 23 terms. The definitions must enable a state to preserve its
110 24 ability to make policy choices not inconsistent with the
110 25 uniform definitions.
110 26 4. CENTRAL REGISTRATION. The agreement must provide a
110 27 central, electronic registration system that allows a seller
110 28 to register to collect and remit sales and use taxes for all
110 29 member states.
110 30 5. NO NEXUS ATTRIBUTION. The agreement must provide that
110 31 registration with the central registration system and the
110 32 collection of sales and use taxes in the member states must
110 33 not be used as a factor in determining whether the seller has
110 34 nexus with a state for any tax.
110 35 6. LOCAL SALES AND USE TAXES. The agreement must provide
111 1 for reduction of the burdens of complying with local sales and
111 2 use taxes through the following:
111 3 a. Restricting variances between the state and local tax
111 4 bases.
111 5 b. Requiring states to administer any sales and use taxes
111 6 levied by local jurisdictions within the state so that sellers
111 7 collecting and remitting these taxes must not have to register
111 8 or file returns with, remit funds to, or be subject to
111 9 independent audits from local taxing jurisdictions.
111 10 c. Restricting the frequency of changes in the local sales
111 11 and use tax rates and setting effective dates for the
111 12 application of local jurisdictional boundary changes to local
111 13 sales and use taxes.
111 14 d. Providing notice of changes in local sales and use tax
111 15 rates and of changes in the boundaries of local taxing
111 16 jurisdictions.
111 17 7. MONETARY ALLOWANCES. The agreement must outline any
111 18 monetary allowances that are to be provided by the states to
111 19 sellers or certified service providers.
111 20 8. STATE COMPLIANCE. The agreement must require each
111 21 state to certify compliance with the terms of the agreement
111 22 prior to joining and to maintain compliance, under the laws of
111 23 the member state, with all provisions of the agreement while a
111 24 member.
111 25 9. CONSUMER PRIVACY. The agreement must require each
111 26 state to adopt a uniform policy for certified service
111 27 providers that protects the privacy of consumers and maintains
111 28 the confidentiality of tax information.
111 29 10. ADVISORY COUNCILS. The agreement must provide for the
111 30 appointment of an advisory council of private sector
111 31 representatives and an advisory council of nonmember state
111 32 representatives to consult with in the administration of the

111 33 agreement.
111 34 Sec. 105. NEW SECTION. 423.12 LIMITED BINDING AND
111 35 BENEFICIAL EFFECT.
112 1 1. The agreement binds and inures only to the benefit of
112 2 Iowa and the other member states. A person, other than a
112 3 member state, is not an intended beneficiary of the agreement.
112 4 Any benefit to a person other than a member state is
112 5 established by the law of Iowa and not by the terms of the
112 6 agreement.
112 7 2. A person shall not have any cause of action or defense
112 8 under the agreement or by virtue of this state's entry into
112 9 the agreement. A person may not challenge, in any action
112 10 brought under any provision of law, any action or inaction by
112 11 any department, agency, or other instrumentality of this
112 12 state, or any political subdivision of this state on the
112 13 ground that the action or inaction is inconsistent with the
112 14 agreement.
112 15 3. A law of this state, or the application of it, shall
112 16 not be declared invalid as to any such person or circumstance
112 17 on the ground that the provision or application is
112 18 inconsistent with the agreement.

112 19 SUBCHAPTER V
112 20 SALES AND USE TAX ACT == ADMINISTRATION OF
112 21 RETAILERS NOT REGISTERED UNDER THE AGREEMENT AND OF
112 22 CONSUMERS OBLIGATED TO PAY USE TAX DIRECTLY
112 23 Sec. 106. NEW SECTION. 423.13 PURPOSE OF THIS

112 24 SUBCHAPTER.
112 25 The purpose of this subchapter is to provide for the
112 26 administration and collection of sales or use tax on the part
112 27 of retailers who are not registered under the agreement and
112 28 for the collection of use tax on the part of consumers who are
112 29 obligated to pay that tax directly. Any application of the
112 30 sections of this subchapter to retailers registered under the
112 31 agreement is only by way of incorporation by reference into
112 32 subchapter VI of this chapter.

112 33 Sec. 107. NEW SECTION. 423.14 SALES AND USE TAX
112 34 COLLECTION.

112 35 1. a. Sales tax, other than that described in paragraph
113 1 "c", shall be collected by sellers who are retailers or by
113 2 their agents. Sellers or their agents shall, as far as
113 3 practicable, add the sales tax, or the average equivalent
113 4 thereof, to the sales price or charge, less trade-ins allowed
113 5 and taken and when added such tax shall constitute a part of
113 6 the sales price or charge, shall be a debt from consumer or
113 7 user to seller or agent until paid, and shall be recoverable
113 8 at law in the same manner as other debts.

113 9 b. In computing the tax to be collected as the result of
113 10 any transaction, the tax computation must be carried to the
113 11 third decimal place. Whenever the third decimal place is
113 12 greater than four, the tax must be rounded up to the next
113 13 whole cent; whenever the third decimal place is four or less,
113 14 the tax must be rounded downward to a whole cent. Sellers may
113 15 elect to compute the tax due on transactions on an item or
113 16 invoice basis. Sellers are not required to use a bracket
113 17 system.

113 18 c. The tax imposed upon those sales of motor vehicle fuel
113 19 which are subject to tax and refund under chapter 452A shall
113 20 be collected by the state treasurer by way of deduction from
113 21 refunds otherwise allowable under that chapter. The treasurer
113 22 shall transfer the amount of such deductions from the motor
113 23 vehicle fuel tax fund to the special tax fund.

113 24 2. Use tax shall be collected in the following manner:

113 25 a. The tax upon the use of all vehicles subject to
113 26 registration or subject only to the issuance of a certificate
113 27 of title or the tax upon the use of manufactured housing shall
113 28 be collected by the county treasurer or the state department
113 29 of transportation pursuant to sections 423.26 and 423.27. The
113 30 county treasurer shall retain one dollar from each tax payment
113 31 collected, to be credited to the county general fund.

113 32 b. The tax upon the use of all tangible personal property
113 33 other than that enumerated in paragraph "a", which is sold by
113 34 a seller who is a retailer maintaining a place of business in
113 35 this state, or by such other retailer or agent as the director
114 1 shall authorize pursuant to section 423.30, shall be collected
114 2 by the retailer or agent and remitted to the department,
114 3 pursuant to the provisions of paragraph "e", and sections
114 4 423.24, 423.29, 423.30, 423.32, and 423.33.

114 5 c. The tax upon the use of all tangible personal property
114 6 not paid pursuant to paragraphs "a" and "b" shall be paid to
114 7 the department directly by any person using the property
114 8 within this state, pursuant to the provisions of section

114 9 423.34.

114 10 d. The tax imposed on the use of services enumerated in
114 11 section 423.5 shall be collected, remitted, and paid to the
114 12 department of revenue and finance in the same manner as use
114 13 tax on tangible personal property is collected, remitted, and
114 14 paid under this subchapter.

114 15 e. All persons obligated by paragraph "a", "b", or "d", to
114 16 collect use tax shall, as far as practicable, add that tax, or
114 17 the average equivalent thereof, to the purchase price, less
114 18 trade-ins allowed and taken, and when added the tax shall
114 19 constitute a part of the purchase price. Use tax which this
114 20 section requires to be collected by a retailer and any tax
114 21 collected pursuant to this section by a retailer shall
114 22 constitute a debt owed by the retailer to this state. Tax
114 23 which must be paid directly to the department, pursuant to
114 24 paragraph "c" or "d", is to be computed and added by the
114 25 consumer or user to the purchase price in the same manner as
114 26 this paragraph requires a seller to compute and add the tax.
114 27 The tax shall be a debt from the consumer or user to the
114 28 department until paid, and shall be recoverable at law in the
114 29 same manner as other debts.

114 30 Sec. 108. NEW SECTION. 423.15 GENERAL SOURCING RULES.

114 31 All sellers obligated to collect Iowa sales or use tax
114 32 shall use the standards set out in this section to determine
114 33 where sales of products occur, excluding sales enumerated in
114 34 section 423.16. These provisions apply regardless of the
114 35 characterization of a product as tangible personal property, a
115 1 digital good, or a service, excluding telecommunications
115 2 services. This section only applies to determine a seller's
115 3 obligation to pay or collect and remit a sales or use tax with
115 4 respect to the seller's sale of a product. This section does
115 5 not affect the obligation of a purchaser or lessee to remit
115 6 tax on the use of the product to the taxing jurisdictions in
115 7 which the use occurs. A seller's obligation to collect Iowa
115 8 sales tax or Iowa use tax only occurs if the sale is sourced
115 9 to this state. The application of whether Iowa sales tax
115 10 applies to sales sourced to Iowa depends upon where the sale
115 11 is consummated by delivery.

115 12 1. Sales, excluding leases or rentals other than leases or
115 13 rentals set out in subsection 2, of products shall be sourced
115 14 as follows:

115 15 a. When the product is received by the purchaser at a
115 16 business location of the seller, the sale is sourced to that
115 17 business location.

115 18 b. When the product is not received by the purchaser at a
115 19 business location of the seller, the sale is sourced to the
115 20 location where receipt by the purchaser or the purchaser's
115 21 donee, designated as such by the purchaser, occurs, including
115 22 the location indicated by instructions for delivery to the
115 23 purchaser or donee, known to the seller.

115 24 c. When paragraphs "a" and "b" do not apply, the sale is
115 25 sourced to the location indicated by an address for the
115 26 purchaser that is available from the business records of the
115 27 seller that are maintained in the ordinary course of the
115 28 seller's business when use of this address does not constitute
115 29 bad faith.

115 30 d. When paragraphs "a", "b", and "c" do not apply, the
115 31 sale is sourced to the location indicated by an address for
115 32 the purchaser obtained during the consummation of the sale,
115 33 including the address of a purchaser's payment instrument, if
115 34 no other address is available, when use of this address does
115 35 not constitute bad faith.

116 1 e. When paragraphs "a", "b", "c", and "d" do not apply,
116 2 including the circumstance where the seller is without
116 3 sufficient information to apply the previous rules, then the
116 4 location will be determined by the address from which tangible
116 5 personal property was shipped, from which the digital good or
116 6 the computer software delivered electronically was first
116 7 available for transmission by the seller, or from which the
116 8 service was provided disregarding for these purposes any
116 9 location that merely provided the digital transfer of the
116 10 product sold.

116 11 2. The lease or rental of tangible personal property,
116 12 other than property identified in subsection 3 or section
116 13 423.16, shall be sourced as follows:

116 14 a. For a lease or rental that requires recurring periodic
116 15 payments, the first periodic payment is sourced the same as a
116 16 retail sale in accordance with the provisions of subsection 1.
116 17 Periodic payments made subsequent to the first payment are
116 18 sourced to the primary property location for each period
116 19 covered by the payment. The primary property location shall

116 20 be as indicated by an address for the property provided by the
116 21 lessee that is available to the lessor from its records
116 22 maintained in the ordinary course of business, when use of
116 23 this address does not constitute bad faith. The property
116 24 location shall not be altered by intermittent use at different
116 25 locations, such as use of business property that accompanies
116 26 employees on business trips and service calls.

116 27 b. For a lease or rental that does not require recurring
116 28 periodic payments, the payment is sourced the same as a retail
116 29 sale in accordance with the provisions of subsection 1.

116 30 c. This subsection does not affect the imposition or
116 31 computation of sales or use tax on leases or rentals based on
116 32 a lump sum or accelerated basis, or on the acquisition of
116 33 property for lease.

116 34 3. The retail sale, including lease or rental, of
116 35 transportation equipment shall be sourced the same as a retail
117 1 sale in accordance with the provisions of subsection 1,
117 2 notwithstanding the exclusion of lease or rental in that
117 3 subsection. "Transportation equipment" means any of the
117 4 following:

117 5 a. Locomotives or railcars that are utilized for the
117 6 carriage of persons or property in interstate commerce.

117 7 b. Trucks and truck=tractors with a gross vehicle weight
117 8 rating of ten thousand one pounds or greater, trailers,
117 9 semitrailers, or passenger buses that meet both of the
117 10 following requirements:

117 11 (1) Are registered through the international registration
117 12 plan.

117 13 (2) Are operated under authority of a carrier authorized
117 14 and certificated by the United States department of
117 15 transportation or another federal authority to engage in the
117 16 carriage of persons or property in interstate commerce.

117 17 c. Aircraft that are operated by air carriers authorized
117 18 and certificated by the United States department of
117 19 transportation or another federal or a foreign authority to
117 20 engage in the carriage of persons or property in interstate or
117 21 foreign commerce.

117 22 d. Containers designed for use on and component parts
117 23 attached or secured on the items set forth in paragraphs "a"
117 24 through "c".

117 25 Sec. 109. NEW SECTION. 423.16 TRANSACTIONS TO WHICH THE
117 26 GENERAL SOURCING RULES DO NOT APPLY.

117 27 Section 423.15 does not apply to sales or use taxes levied
117 28 on the following:

117 29 1. The retail sale or transfer of watercraft, modular
117 30 homes, manufactured housing, or mobile homes, and the retail
117 31 sale, excluding lease or rental, of motor vehicles, trailers,
117 32 semitrailers, or aircraft that do not qualify as
117 33 transportation equipment, as defined in section 423.15,
117 34 subsection 3.

117 35 2. The lease or rental of motor vehicles, trailers,
118 1 semitrailers, or aircraft that do not qualify as
118 2 transportation equipment, as defined in section 423.15,
118 3 subsection 3, which shall be sourced in accordance with
118 4 section 423.17.

118 5 3. Transactions to which the multiple points use exemption
118 6 is applicable, which shall be sourced in accordance with
118 7 section 423.18.

118 8 4. Transactions to which direct mail sourcing is
118 9 applicable, which shall be sourced in accordance with section
118 10 423.19.

118 11 5. Telecommunications services, as set out in section
118 12 423.20, which shall be sourced in accordance with section
118 13 423.20, subsection 2.

118 14 Sec. 110. NEW SECTION. 423.17 SOURCING RULES FOR VARIOUS
118 15 TYPES OF LEASED OR RENTED EQUIPMENT WHICH IS NOT
118 16 TRANSPORTATION EQUIPMENT.

118 17 The lease or rental of motor vehicles, trailers,
118 18 semitrailers, or aircraft that do not qualify as
118 19 transportation equipment, as defined in section 423.15,
118 20 subsection 3, shall be sourced as follows:

118 21 1. For a lease or rental that requires recurring periodic
118 22 payments, each periodic payment is sourced to the primary
118 23 property location. The primary property location shall be as
118 24 indicated by an address for the property provided by the
118 25 lessee that is available to the lessor from its records
118 26 maintained in the ordinary course of business, when use of
118 27 this address does not constitute bad faith. This location
118 28 shall not be altered by intermittent use at different
118 29 locations.

118 30 2. For a lease or rental that does not require recurring

118 31 periodic payments, the payment is sourced the same as a retail
118 32 sale in accordance with the provisions of section 423.15,
118 33 subsection 1.

118 34 3. This section does not affect the imposition or
118 35 computation of sales or use tax on leases or rentals based on
119 1 a lump sum or accelerated basis, or on the acquisition of
119 2 property for lease.

119 3 Sec. 111. NEW SECTION. 423.18 MULTIPLE POINTS OF USE
119 4 EXEMPTION FORMS.

119 5 A business purchaser that is not a holder of a direct pay
119 6 tax permit pursuant to section 423.36 that knows at the time
119 7 of its purchase of a digital good, computer software delivered
119 8 electronically, or a service that the digital good, computer
119 9 software delivered electronically, or service will be
119 10 concurrently available for use in more than one jurisdiction
119 11 shall deliver to the seller in conjunction with its purchase a
119 12 "multiple points of use" or "MPU" exemption form disclosing
119 13 this fact.

119 14 1. Upon receipt of the MPU exemption form, the seller is
119 15 relieved of all obligation to collect, pay, or remit the
119 16 applicable tax and the purchaser shall be obligated to
119 17 collect, pay, or remit the applicable tax on a direct pay
119 18 basis.

119 19 2. A purchaser delivering the MPU exemption form may use
119 20 any reasonable, but consistent and uniform, method of
119 21 apportionment that is supported by the purchaser's business
119 22 records as they exist at the time of the consummation of the
119 23 sale.

119 24 3. The MPU exemption form will remain in effect for all
119 25 future sales by the seller to the purchaser except as to the
119 26 subsequent sale's specific apportionment that is governed by
119 27 the principle of subsection 2 and the facts existing at the
119 28 time of the sale until it is revoked in writing.

119 29 4. A holder of a direct pay tax permit under section
119 30 423.36 shall not be required to deliver an MPU exemption form
119 31 to the seller. A direct pay tax permit holder shall follow
119 32 the provisions of subsection 2 in apportioning the tax due on
119 33 a digital good, computer software delivered electronically, or
119 34 service that will be concurrently available for use in more
119 35 than one jurisdiction.

120 1 Sec. 112. NEW SECTION. 423.19 DIRECT MAIL SOURCING.

120 2 1. Notwithstanding section 423.15, a purchaser of direct
120 3 mail that is not a holder of a direct pay tax permit pursuant
120 4 to section 423.36 shall provide to the seller in conjunction
120 5 with the purchase either a direct mail form or information to
120 6 show the jurisdictions to which the direct mail is delivered
120 7 to recipients.

120 8 a. Upon receipt of the direct mail form, the seller is
120 9 relieved of all obligations to collect, pay, or remit the
120 10 applicable tax and the purchaser is obligated to pay or remit
120 11 the applicable tax on a direct pay basis. A direct mail form
120 12 shall remain in effect for all future sales of direct mail by
120 13 the seller to the purchaser until it is revoked in writing.

120 14 b. Upon receipt of information from the purchaser showing
120 15 the jurisdictions to which the direct mail is delivered to
120 16 recipients, the seller shall collect the tax according to the
120 17 delivery information provided by the purchaser. In the
120 18 absence of bad faith, the seller is relieved of any further
120 19 obligation to collect tax on any transaction where the seller
120 20 has collected tax pursuant to the delivery information
120 21 provided by the purchaser.

120 22 2. If the purchaser of direct mail does not have a direct
120 23 pay tax permit and does not provide the seller with either a
120 24 direct mail form or delivery information, as required by
120 25 subsection 1, the seller shall collect the tax according to
120 26 section 423.15, subsection 1, paragraph "e". Nothing in this
120 27 subsection shall limit a purchaser's obligation for sales or
120 28 use tax to any state to which the direct mail is delivered.

120 29 3. If a purchaser of direct mail provides the seller with
120 30 documentation of direct pay authority, the purchaser shall not
120 31 be required to provide a direct mail form or delivery
120 32 information to the seller.

120 33 Sec. 113. NEW SECTION. 423.20 TELECOMMUNICATIONS SERVICE
120 34 SOURCING.

120 35 1. As used in this section:

121 1 a. "Air-to-ground radiotelephone service" means a radio
121 2 service, as that term is used in 47 C.F.R. } 22.99, in which
121 3 common carriers are authorized to offer and provide radio
121 4 telecommunications service for hire to subscribers in
121 5 aircraft.

121 6 b. "Call-by-call basis" means any method of charging for

121 7 the telecommunications service where the price is measured by
121 8 individual calls.

121 9 c. "Communications channel" means a physical or virtual
121 10 path of communications over which signals are transmitted
121 11 between or among customer channel termination points.

121 12 d. "Customer" means the person or entity that contracts
121 13 with the seller of the telecommunications service. If the end
121 14 user of the telecommunications service is not the contracting
121 15 party, the end user of the telecommunications service is the
121 16 customer of the telecommunications service, but this sentence
121 17 only applies for the purpose of sourcing sales of the
121 18 telecommunications service under this section. "Customer"
121 19 does not include a reseller of a telecommunications service or
121 20 for mobile telecommunications service of a serving carrier
121 21 under an agreement to serve the customer outside the home
121 22 service provider's licensed service area.

121 23 e. "Customer channel termination point" means the location
121 24 where the customer either inputs or receives the
121 25 communications.

121 26 f. "End user" means the person who utilizes the
121 27 telecommunications service. In the case of an entity, "end
121 28 user" means the individual who utilizes the service on behalf
121 29 of the entity.

121 30 g. "Home service provider" means the same as that term is
121 31 defined in the federal Mobile Telecommunications Sourcing Act,
121 32 Pub. L. No. 106-252, 4 U.S.C. } 124(5).

121 33 h. "Mobile telecommunications service" means the same as
121 34 that term is defined in federal Mobile Telecommunications
121 35 Sourcing Act, Pub. L. No. 106-252, 4 U.S.C. } 124(7).

122 1 i. "Place of primary use" means the street address
122 2 representative of where the customer's use of the
122 3 telecommunications service primarily occurs, which must be the
122 4 residential street address or the primary business street
122 5 address of the customer. In the case of mobile
122 6 telecommunications service, "place of primary use" must be
122 7 within the licensed service area of the home service provider.

122 8 j. "Postpaid calling service" means the telecommunications
122 9 service obtained by making a payment on a call-by-call basis
122 10 either through the use of a credit card or payment mechanism
122 11 such as a bank card, travel card, credit card, or debit card,
122 12 or by charge made to a telephone number which is not
122 13 associated with the origination or termination of the
122 14 telecommunications service. A "postpaid calling service"
122 15 includes a telecommunications service that would be a prepaid
122 16 calling service except it is not exclusively a
122 17 telecommunications service.

122 18 k. "Prepaid calling service" means the right to access
122 19 exclusively telecommunications services, which must be paid
122 20 for in advance and which enables the origination of calls
122 21 using an access number or authorization code, whether manually
122 22 or electronically dialed, and that is sold in predetermined
122 23 units or dollars of which the amount declines with use in a
122 24 known amount.

122 25 l. "Private communication service" means a
122 26 telecommunications service that entitles the customer to
122 27 exclusive or priority use of a communications channel or group
122 28 of channels between or among termination points, regardless of
122 29 the manner in which such channel or channels are connected,
122 30 and includes switching capacity, extension lines, stations,
122 31 and any other associated services that are provided in
122 32 connection with the use of such channel or channels.

122 33 m. "Service address" means one of the following:

122 34 (1) The location of the telecommunications equipment to
122 35 which a customer's call is charged and from which the call
123 1 originates or terminates, regardless of where the call is
123 2 billed or paid.

123 3 (2) If the location in subparagraph (1) is not known,
123 4 "service address" means the origination point of the signal of
123 5 the telecommunications service first identified by either the
123 6 seller's telecommunications system or in information received
123 7 by the seller from its service provider, where the system used
123 8 to transport such signals is not that of the seller.

123 9 (3) If the locations in subparagraphs (1) and (2) are not
123 10 known, the "service address" means the location of the
123 11 customer's place of primary use.

123 12 2. Sales of telecommunications services shall be sourced
123 13 in the following manner:

123 14 a. Except for the defined telecommunications services in
123 15 paragraph "c", the sale of telecommunications services sold on
123 16 a call-by-call basis shall be sourced to one of the following:

123 17 (1) Each level of taxing jurisdiction where the call

123 18 originates and terminates in that jurisdiction.
123 19 (2) Each level of taxing jurisdiction where the call
123 20 either originates or terminates and in which the service
123 21 address is also located.
123 22 b. Except for the defined telecommunications services in
123 23 paragraph "c", a sale of telecommunications services sold on a
123 24 basis other than a call-by-call basis is sourced to the
123 25 customer's place of primary use.
123 26 c. Sale of the following telecommunications services shall
123 27 be sourced to each level of taxing jurisdiction as follows:
123 28 (1) A sale of mobile telecommunications services other
123 29 than air-to-ground radiotelephone service or prepaid calling
123 30 service is sourced to the customer's place of primary use as
123 31 required by the federal Mobile Telecommunications Sourcing
123 32 Act.
123 33 (2) A sale of postpaid calling service is sourced to the
123 34 origination point of the telecommunications signal as first
123 35 identified by either of the following:
124 1 (a) The seller's telecommunications system.
124 2 (b) Information received by the seller from its service
124 3 provider, where the system used to transport such signals is
124 4 not that of the seller.
124 5 (3) A sale of prepaid calling service is sourced in
124 6 accordance with section 423.15. However, in the case of a
124 7 sale of mobile telecommunications services that is a prepaid
124 8 telecommunications service, the rule provided in section
124 9 423.15, subsection 1, paragraph "e", shall include as an
124 10 option the location associated with the mobile telephone
124 11 number.
124 12 (4) A sale of a private telecommunications service is
124 13 sourced as follows:
124 14 (a) Service for a separate charge related to a customer
124 15 channel termination point is sourced to each level of
124 16 jurisdiction in which such customer channel termination point
124 17 is located.
124 18 (b) Service where all customer termination points are
124 19 located entirely within one jurisdiction or level of
124 20 jurisdiction is sourced in such jurisdiction in which the
124 21 customer channel termination points are located.
124 22 (c) Service for segments of a channel between two customer
124 23 channel termination points located in different jurisdictions
124 24 and which segments of a channel are separately charged is
124 25 sourced fifty percent in each level of jurisdiction in which
124 26 the customer channel termination points are located.
124 27 (d) Service for segments of a channel located in more than
124 28 one jurisdiction or levels of jurisdiction and which segments
124 29 are not separately billed is sourced in each jurisdiction
124 30 based on the percentage determined by dividing the number of
124 31 customer channel termination points in such jurisdiction by
124 32 the total number of customer channel termination points.
124 33 Sec. 114. NEW SECTION. 423.21 BAD DEBT DEDUCTIONS.
124 34 1. For the purposes of this section, "bad debt" means an
124 35 amount properly calculated pursuant to section 166 of the
125 1 Internal Revenue Code then adjusted to exclude financing
125 2 charges or interest, sales or use taxes charged on the
125 3 purchase price, uncollectible amounts on property that remain
125 4 in the possession of the seller until the full purchase price
125 5 is paid, expenses incurred in attempting to collect any debt,
125 6 and repossessed property.
125 7 2. In computing the amount of tax due, a seller may deduct
125 8 bad debts from the total amount upon which the tax is
125 9 calculated for any return. Any deduction taken or refund paid
125 10 which is attributed to bad debts shall not include interest.
125 11 3. A seller may deduct bad debts on the return for the
125 12 period during which the bad debt is written off as
125 13 uncollectible in the seller's books and records and is
125 14 eligible to be deducted for federal income tax purposes. For
125 15 purposes of this subsection, a seller who is not required to
125 16 file federal income tax returns may deduct a bad debt on a
125 17 return filed for the period in which the bad debt is written
125 18 off as uncollectible in the seller's books and records and
125 19 would be eligible for a bad debt deduction for federal income
125 20 tax purposes if the seller were required to file a federal
125 21 income tax return.
125 22 4. If a deduction is taken for a bad debt and the seller
125 23 subsequently collects the debt in whole or in part, the tax on
125 24 the amount so collected must be paid and reported on the
125 25 return filed for the period in which the collection is made.
125 26 5. A seller may obtain a refund of tax on any amount of
125 27 bad debt that exceeds the amount of taxable sales within the
125 28 period allowed for refund claims by section 423.47. However,

125 29 the period allowed for refund claims shall be measured from
125 30 the due date of the return on which the bad debt could first
125 31 be claimed.

125 32 6. For the purposes of computing a bad debt deduction or
125 33 reporting a payment received on a previously claimed bad debt,
125 34 any payments made on a debt or account shall be applied first
125 35 to the price of the property or service and tax thereon,
126 1 proportionally, and secondly to interest, service charges, and
126 2 any other charges.

126 3 Sec. 115. NEW SECTION. 423.22 TAXATION IN ANOTHER STATE.

126 4 If any person who causes tangible personal property to be
126 5 brought into this state or who uses in this state services
126 6 enumerated in section 423.2 has already paid a tax in another
126 7 state in respect to the sale or use of the property or the
126 8 performance of the service, or an occupation tax in respect to
126 9 the property or service, in an amount less than the tax
126 10 imposed by subchapter II or III, the provisions of those
126 11 subchapters shall apply, but at a rate measured by the
126 12 difference only between the rate fixed by subchapter II or III
126 13 and the rate by which the previous tax on the sale or use, or
126 14 the occupation tax, was computed. If the tax imposed and paid
126 15 in the other state is equal to or more than the tax imposed by
126 16 those subchapters, then a tax is not due in this state on the
126 17 personal property or service.

126 18 Sec. 116. NEW SECTION. 423.23 SELLERS' AGREEMENTS.

126 19 Agreements between competing sellers, or the adoption of
126 20 appropriate rules and regulations by organizations or
126 21 associations of sellers to provide uniform methods for adding
126 22 sales or use tax or the average equivalent thereof, and which
126 23 do not involve price-fixing agreements otherwise unlawful, are
126 24 expressly authorized and shall be held not in violation of
126 25 chapter 553 or other antitrust laws of this state. The
126 26 director shall cooperate with sellers, organizations, or
126 27 associations in formulating agreements and rules.

126 28 Sec. 117. NEW SECTION. 423.24 ABSORBING TAX PROHIBITED.

126 29 A seller shall not advertise or hold out or state to the
126 30 public or to any purchaser, consumer, or user, directly or
126 31 indirectly, that the taxes or any parts thereof imposed by
126 32 subchapter II or III will be assumed or absorbed by the seller
126 33 or the taxes will not be added to the sales price of the
126 34 property sold, or if added that the taxes or any part thereof
126 35 will be refunded. Any person violating any of the provisions
127 1 of this section within this state is guilty of a simple
127 2 misdemeanor.

127 3 Sec. 118. NEW SECTION. 423.25 DIRECTOR'S POWER TO ADOPT
127 4 RULES.

127 5 The director shall have the power to adopt rules for adding
127 6 the taxes imposed by subchapters II and III, or the average
127 7 equivalents thereof, by providing different methods applying
127 8 uniformly to retailers within the same general classification
127 9 for the purpose of enabling the retailers to add and collect,
127 10 as far as practicable, the amounts of those taxes.

127 11 Sec. 119. NEW SECTION. 423.26 VEHICLES SUBJECT TO
127 12 REGISTRATION OR ONLY TO THE ISSUANCE OF TITLE == MANUFACTURED
127 13 HOUSING.

127 14 The use tax imposed upon the use of vehicles subject to
127 15 registration or subject only to the issuance of a certificate
127 16 of title or imposed upon the use of manufactured housing shall
127 17 be paid by the owner of the vehicle or of the manufactured
127 18 housing to the county treasurer or the state department of
127 19 transportation from whom the registration receipt or
127 20 certificate of title is obtained. A registration receipt for
127 21 a vehicle subject to registration or certificate of title
127 22 shall not be issued until the tax has been paid. The county
127 23 treasurer or the state department of transportation shall
127 24 require every applicant for a registration receipt for a
127 25 vehicle subject to registration or certificate of title to
127 26 supply information as the county treasurer or the director
127 27 deems necessary as to the time of purchase, the purchase
127 28 price, installed purchase price, and other information
127 29 relative to the purchase of the vehicle or manufactured
127 30 housing. On or before the tenth day of each month, the county
127 31 treasurer or the state department of transportation shall
127 32 remit to the department the amount of the taxes collected
127 33 during the preceding month.

127 34 A person who willfully makes a false statement in regard to
127 35 the purchase price of a vehicle subject to taxation under this
128 1 section is guilty of a fraudulent practice. A person who
128 2 willfully makes a false statement in regard to the purchase
128 3 price of such a vehicle with the intent to evade the payment
128 4 of tax shall be assessed a penalty of seventy-five percent of

128 5 the amount of tax unpaid and required to be paid on the actual
128 6 purchase price less trade-in allowance.

128 7 Sec. 120. NEW SECTION. 423.27 MOTOR VEHICLE LEASE TAX.

128 8 1. The use tax imposed upon the use of leased vehicles
128 9 subject to registration under chapter 321, with gross vehicle
128 10 weight ratings of less than sixteen thousand pounds, excluding
128 11 motorcycles and motorized bicycles, which are leased by a
128 12 lessor licensed pursuant to chapter 321F for a period of
128 13 twelve months or more shall be paid by the owner of the
128 14 vehicle to the county treasurer or state department of
128 15 transportation from whom the registration receipt or
128 16 certificate of title is obtained. A registration receipt for
128 17 a vehicle subject to registration or issuance of a certificate
128 18 of title shall not be issued until the tax is paid in the
128 19 initial instance. Tax on the lease transaction that does not
128 20 require titling or registration of the vehicle shall be
128 21 remitted to the department. Tax and the reporting of tax due
128 22 to the department shall be remitted on or before fifteen days
128 23 from the last day of the month that the vehicle lease tax
128 24 becomes due. Failure to timely report or remit any of the tax
128 25 when due shall result in a penalty and interest being imposed
128 26 on the tax due pursuant to section 423.40, subsection 1, and
128 27 section 423.42, subsection 1.

128 28 2. The amount subject to tax shall be computed on each
128 29 separate lease transaction by taking the total of the lease
128 30 payments, plus the down payment, and excluding all of the
128 31 following:

128 32 a. Title fee.
128 33 b. Registration fees.
128 34 c. Vehicle lease tax pursuant to this section.
128 35 d. Federal excise taxes attributable to the sale of the
129 1 vehicle to the owner or to the lease of the vehicle by the
129 2 owner.
129 3 e. Optional service or warranty contracts subject to tax
129 4 pursuant to section 423.2, subsection 1.
129 5 f. Insurance.
129 6 g. Manufacturer's rebate.
129 7 h. Refundable deposit.
129 8 i. Finance charges, if any, on items listed in paragraphs
129 9 "a" through "h".

129 10 If any or all of the items in paragraphs "a" through "i"
129 11 are excluded from the taxable lease price, the owner shall
129 12 maintain adequate records of the amounts of those items. If
129 13 the parties to a lease enter into an agreement providing that
129 14 the tax imposed under this statute is to be paid by the lessee
129 15 or included in the monthly lease payments to be paid by the
129 16 lessee, the total cost of the tax shall not be included in the
129 17 computation of lease price for the purpose of taxation under
129 18 this section. The county treasurer, the state department of
129 19 transportation, or the department of revenue and finance shall
129 20 require every applicant for a registration receipt for a
129 21 vehicle subject to tax under this section to supply
129 22 information as the county treasurer or director deems
129 23 necessary as to the date of the lease transaction, the lease
129 24 price, and other information relative to the lease of the
129 25 vehicle.

129 26 3. On or before the tenth day of each month, the county
129 27 treasurer or the state department of transportation shall
129 28 remit to the department the amount of the taxes collected
129 29 during the preceding month.

129 30 4. If the lease is terminated prior to the termination
129 31 date contained in the lease agreement, no refund shall be
129 32 allowed for tax previously paid under this section, except as
129 33 provided in section 322G.4.

129 34 Sec. 121. NEW SECTION. 423.28 SALES TAX REPORT ==
129 35 DEDUCTION.

130 1 Motor vehicle or trailer dealers, in making their reports
130 2 and returns to the department for the purpose of paying the
130 3 sales tax, shall be permitted to deduct all sales prices from
130 4 retail sales of vehicles subject to registration or subject
130 5 only to the issuance of a certificate of title. Sales prices
130 6 from sales of vehicles subject to registration or subject only
130 7 to the issuance of a certificate of title are exempted from
130 8 the sales tax, but, if required by the director, the sales
130 9 prices shall be included in the returns made by motor vehicle
130 10 or trailer dealers under subchapter II, and proper deductions
130 11 taken pursuant to this section.

130 12 Sec. 122. NEW SECTION. 423.29 COLLECTIONS BY SELLERS.

130 13 Every seller who is a retailer and who is making taxable
130 14 sales of tangible personal property in Iowa shall, at the time
130 15 of selling the property, collect the sales tax. Every seller

130 16 who is a retailer maintaining a place of business in this
130 17 state and selling tangible personal property for use in Iowa
130 18 shall, at the time of making the sale, whether within or
130 19 without the state, collect the use tax. Sellers required to
130 20 collect sales or use tax shall give to any purchaser a receipt
130 21 for the tax collected in the manner and form prescribed by the
130 22 director.

130 23 Every seller who is a retailer furnishing taxable services
130 24 in Iowa and every seller who is a retailer maintaining a place
130 25 of business in this state and furnishing taxable services in
130 26 Iowa or services outside Iowa if the product or result of the
130 27 service is used in Iowa shall be subject to the provisions of
130 28 the preceding paragraph.

130 29 Sec. 123. NEW SECTION. 423.30 FOREIGN SELLERS NOT
130 30 REGISTERED UNDER THE AGREEMENT.

130 31 The director may, upon application, authorize the
130 32 collection of the use tax by any seller who is a retailer not
130 33 maintaining a place of business within this state and not
130 34 registered under the agreement, who, to the satisfaction of
130 35 the director, furnishes adequate security to ensure collection
131 1 and payment of the tax. Such sellers shall be issued, without
131 2 charge, permits to collect tax subject to any regulations
131 3 which the director shall prescribe. When so authorized, it
131 4 shall be the duty of foreign sellers to collect the tax upon
131 5 all tangible personal property sold, to the retailer's
131 6 knowledge, for use within this state, in the same manner and
131 7 subject to the same requirements as a retailer maintaining a
131 8 place of business within this state. The authority and permit
131 9 may be canceled when, at any time, the director considers the
131 10 security inadequate, or that tax can more effectively be
131 11 collected from the person using property in this state.

131 12 The discretionary power granted in this section is extended
131 13 to apply in the case of foreign retailers furnishing services
131 14 enumerated in section 423.2.

131 15 Sec. 124. NEW SECTION. 423.31 FILING OF SALES TAX
131 16 RETURNS AND PAYMENT OF SALES TAX.

131 17 1. Each person subject to this section and section 423.36
131 18 and in accordance with the provisions of this section and
131 19 section 423.36 shall, on or before the last day of the month
131 20 following the close of each calendar quarter during which such
131 21 person is or has become or ceased being subject to the
131 22 provisions of this section and section 423.36, make, sign, and
131 23 file a return for the calendar quarter in the form as may be
131 24 required. Returns shall show information relating to sales
131 25 prices including goods, wares, and services converted to the
131 26 use of such person, the amounts of sales prices excluded and
131 27 exempt from the tax, the amounts of sales prices subject to
131 28 tax, a calculation of tax due, and any other information for
131 29 the period covered by the return as may be required. Returns
131 30 shall be signed by the retailer or the retailer's authorized
131 31 agent and must be certified by the retailer to be correct in
131 32 accordance with forms and rules prescribed by the director.

131 33 2. Persons required to file, or committed to file by
131 34 reason of voluntary action or by order of the department,
131 35 deposits of taxes due under this subchapter shall be entitled
132 1 to take credit against the total quarterly amount of tax due
132 2 such amount as shall have been deposited by such persons
132 3 during that calendar quarter. The balance remaining due after
132 4 such credit for deposits shall be entered on the return.
132 5 However, such person may be granted an extension of time not
132 6 exceeding thirty days for filing the quarterly return, upon a
132 7 proper showing of necessity. If an extension is granted, such
132 8 person shall have paid by the twentieth day of the month
132 9 following the close of such quarter ninety percent of the
132 10 estimated tax due.

132 11 3. The sales tax forms prescribed by the director shall be
132 12 referred to as "retailers tax deposit". Deposit forms shall
132 13 be signed by the retailer or the retailer's duly authorized
132 14 agent, and shall be duly certified by the retailer or agent to
132 15 be correct. The director may authorize incorporated banks and
132 16 trust companies or other depositories authorized by law which
132 17 are depositories or financial agents of the United States, or
132 18 of this state, to receive any sales tax imposed under this
132 19 chapter, in the manner, at the times, and under the conditions
132 20 the director prescribes. The director shall prescribe the
132 21 manner, times, and conditions under which the receipt of the
132 22 tax by those depositories is to be treated as payment of the
132 23 tax to the department.

132 24 4. Every retailer at the time of making any return
132 25 required by this section shall compute and pay to the
132 26 department the tax due for the preceding period. The tax on

132 27 sales prices from the sale or rental of tangible personal
132 28 property under a consumer rental purchase agreement as defined
132 29 in section 537.3604, subsection 8, is payable in the tax
132 30 period of receipt.

132 31 5. Upon making application and receiving approval from the
132 32 director, a parent corporation and its affiliated corporations
132 33 that make retail sales of tangible personal property or
132 34 taxable enumerated services may make deposits and file a
132 35 consolidated sales tax return for the affiliated group,
133 1 pursuant to rules adopted by the director. A parent
133 2 corporation and each affiliate corporation that files a
133 3 consolidated return are jointly and severally liable for all
133 4 tax, penalty, and interest found due for the tax period for
133 5 which a consolidated return is filed or required to be filed.

133 6 A business required to file a consolidated sales tax return
133 7 shall file a form entitled "schedule of consolidated business
133 8 locations" with its quarterly sales tax return that shows the
133 9 taxpayer's consolidated permit number, the permit number for
133 10 each Iowa business location, the state sales tax amount by
133 11 business location, and the amount of state sales tax due on
133 12 goods consumed that are not assigned to a specific business
133 13 location. Consolidated quarterly sales tax returns that are
133 14 not accompanied by the schedule of consolidated business
133 15 locations form are considered incomplete and are subject to
133 16 penalty under section 421.27.

133 17 6. If necessary or advisable in order to insure the
133 18 payment of the tax, the director may require returns and
133 19 payment of the tax to be made for other than quarterly
133 20 periods, the provisions of this section, or other provision to
133 21 the contrary notwithstanding.

133 22 Sec. 125. NEW SECTION. 423.32 FILING OF USE TAX RETURNS
133 23 AND PAYMENT OF USE TAX.

133 24 1. A retailer maintaining a place of business in this
133 25 state who is required to collect or a user who is required to
133 26 pay the use tax or a foreign retailer authorized, pursuant to
133 27 section 423.30, to collect the use tax, shall remit to the
133 28 department the amount of tax on or before the last day of the
133 29 month following each calendar quarterly period. However, a
133 30 retailer who collects or owes more than fifteen hundred
133 31 dollars in use taxes in a month shall deposit with the
133 32 department or in a depository authorized by law and designated
133 33 by the director, the amount collected or owed, with a deposit
133 34 form for the month as prescribed by the director.

133 35 a. The deposit form is due on or before the twentieth day
134 1 of the month following the month of collection, except a
134 2 deposit is not required for the third month of the calendar
134 3 quarter, and the total quarterly amount, less the amounts
134 4 deposited for the first two months of the quarter, is due with
134 5 the quarterly report on the last day of the month following
134 6 the month of collection. At that time, the retailer shall
134 7 file with the department a return for the preceding quarterly
134 8 period in the form prescribed by the director showing the
134 9 purchase price of the tangible personal property sold by the
134 10 retailer during the preceding quarterly period, the use of
134 11 which is subject to the use tax imposed by this chapter, and
134 12 other information the director deems necessary for the proper
134 13 administration of the use tax.

134 14 b. The return shall be accompanied by a remittance of the
134 15 use tax for the period covered by the return. If necessary in
134 16 order to ensure payment to the state of the tax, the director
134 17 may in any or all cases require returns and payments to be
134 18 made for other than quarterly periods. The director, upon
134 19 request and a proper showing of necessity, may grant an
134 20 extension of time not to exceed thirty days for making any
134 21 return and payment. Returns shall be signed, in accordance
134 22 with forms and rules prescribed by the director, by the
134 23 retailer or the retailer's authorized agent, and shall be
134 24 certified by the retailer or agent to be correct.

134 25 2. If it is reasonably expected, as determined by rules
134 26 prescribed by the director, that a retailer's annual sales or
134 27 use tax liability will not exceed one hundred twenty dollars
134 28 for a calendar year, the retailer may request and the director
134 29 may grant permission to the retailer, in lieu of the quarterly
134 30 filing and remitting requirements set out elsewhere in this
134 31 section, to file the return required by and remit the sales or
134 32 use tax due under this section on a calendar-year basis. The
134 33 return and tax are due and payable no later than January 31
134 34 following each calendar year in which the retailer carries on
134 35 business.

135 1 3. The director, in cooperation with the department of
135 2 management, may periodically change the filing and remittance

135 3 thresholds by administrative rule if in the best interests of
135 4 the state and taxpayer to do so.

135 5 Sec. 126. NEW SECTION. 423.33 LIABILITY OF PERSONS OTHER
135 6 THAN RETAILERS FOR PAYMENT OF SALES OR USE TAX.

135 7 1. LIABILITY OF PURCHASER FOR SALES TAX. If a purchaser
135 8 fails to pay sales tax to the retailer required to collect the
135 9 tax, then in addition to all of the rights, obligations, and
135 10 remedies provided, the tax is payable by the purchaser
135 11 directly to the department, and sections 423.31, 423.32,
135 12 423.37, 423.38, 423.39, 423.40, 423.41, and 423.42 apply to
135 13 the purchaser. For failure to pay, the retailer and purchaser
135 14 are liable, unless the circumstances described in section
135 15 421.60, subsection 2, paragraph "m", or section 423.45,
135 16 subsection 4, paragraph "b" or "e", or subsection 5, paragraph
135 17 "c" or "e", are applicable.

135 18 2. IMMEDIATE SUCCESSOR LIABILITY FOR SALES OR USE TAX. If
135 19 a retailer sells the retailer's business or stock of goods or
135 20 quits the business, the retailer shall prepare a final return
135 21 and pay all sales or use tax due within the time required by
135 22 law. The immediate successor to the retailer, if any, shall
135 23 withhold a sufficient portion of the purchase price, in money
135 24 or money's worth, to pay the amount of delinquent tax,
135 25 interest, or penalty due and unpaid. If the immediate
135 26 successor of the business or stock of goods intentionally
135 27 fails to withhold the amount due from the purchase price as
135 28 provided in this subsection, the immediate successor is
135 29 personally liable for the payment of delinquent taxes,
135 30 interest, and penalty accrued and unpaid on account of the
135 31 operation of the business by the immediate former retailer,
135 32 except when the purchase is made in good faith as provided in
135 33 section 421.28. However, a person foreclosing on a valid
135 34 security interest or retaking possession of premises under a
135 35 valid lease is not an "immediate successor" for purposes of
136 1 this section. The department may waive the liability of the
136 2 immediate successor under this subsection if the immediate
136 3 successor exercised good faith in establishing the amount of
136 4 the previous liability.

136 5 3. EVENT SPONSOR'S LIABILITY FOR SALES TAX. A person
136 6 sponsoring a flea market or a craft, antique, coin, or stamp
136 7 show or similar event shall obtain from every retailer selling
136 8 tangible personal property or taxable services at the event
136 9 proof that the retailer possesses a valid sales tax permit or
136 10 secure from the retailer a statement, taken in good faith,
136 11 that property or services offered for sale are not subject to
136 12 sales tax. Failure to do so renders a sponsor of the event
136 13 liable for payment of any sales tax, interest, and penalty due
136 14 and owing from any retailer selling property or services at
136 15 the event. Sections 423.31, 423.32, 423.37, 423.38, 423.39,
136 16 423.40, 423.41, and 423.42 apply to the sponsors. For
136 17 purposes of this subsection, a person sponsoring a flea market
136 18 or a craft, antique, coin, or stamp show or similar event does
136 19 not include an organization which sponsors an event less than
136 20 three times a year or a state, county, or district
136 21 agricultural fair.

136 22 Sec. 127. NEW SECTION. 423.34 LIABILITY OF USER.
136 23 Any person who uses any property or services enumerated in
136 24 section 423.2 upon which the use tax has not been paid, either
136 25 to the county treasurer or to a retailer or direct to the
136 26 department as required by this subchapter, shall be liable for
136 27 the payment of tax, and shall on or before the last day of the
136 28 month next succeeding each quarterly period pay the use tax
136 29 upon all property or services used by the person during the
136 30 preceding quarterly period in the manner and accompanied by
136 31 such returns as the director shall prescribe. All of the
136 32 provisions of sections 423.32 and 423.33 with reference to the
136 33 returns and payments shall be applicable to the returns and
136 34 payments required by this section.

136 35 Sec. 128. NEW SECTION. 423.35 POSTING OF BOND TO SECURE
137 1 PAYMENT.

137 2 The director may, when necessary and advisable in order to
137 3 secure the collection of the sales or use tax, authorize any
137 4 person subject to either tax, and any retailer required or
137 5 authorized to collect those taxes pursuant to the provisions
137 6 of section 423.14, to file with the department a bond, issued
137 7 by a surety company authorized to transact business in this
137 8 state and approved by the insurance commissioner as to
137 9 solvency and responsibility, in an amount as the director may
137 10 fix, to secure the payment of any tax, interest, or penalties
137 11 due or which may become due from such person. In lieu of a
137 12 bond, securities approved by the director, in an amount which
137 13 the director may prescribe, may be deposited with the

137 14 department, which securities shall be kept in the custody of
137 15 the department and may be sold by the director at public or
137 16 private sale, without notice to the depositor, if it becomes
137 17 necessary to do so in order to recover any tax, interest, or
137 18 penalties due. Upon the sale, the surplus, if any, above the
137 19 amounts due under this chapter shall be returned to the person
137 20 who deposited the securities.

137 21 Sec. 129. NEW SECTION. 423.36 PERMITS REQUIRED TO
137 22 COLLECT SALES OR USE TAX == APPLICATIONS == REVOCATION.

137 23 1. A person shall not engage in or transact business as a
137 24 retailer making taxable sales of tangible personal property or
137 25 furnishing services within this state or as a retailer making
137 26 taxable sales of tangible personal property or furnishing
137 27 services for use within this state, unless a permit has been
137 28 issued to the retailer under this section, except as provided
137 29 in subsection 6. Every person desiring to engage in or
137 30 transact business as a retailer shall file with the department
137 31 an application for a permit to collect sales or use tax.
137 32 Every application for a sales or use tax permit shall be made
137 33 upon a form prescribed by the director and shall set forth any
137 34 information the director may require. The application shall
137 35 be signed by an owner of the business if a natural person; in
138 1 the case of a retailer which is an association or partnership,
138 2 by a member or partner; and in the case of a retailer which is
138 3 a corporation, by an executive officer or some person
138 4 specifically authorized by the corporation to sign the
138 5 application, to which shall be attached the written evidence
138 6 of the person's authority.

138 7 2. To collect sales or use tax, the applicant must have a
138 8 permit for each place of business in the state of Iowa. The
138 9 department may deny a permit to an applicant who is
138 10 substantially delinquent in paying a tax due, or the interest
138 11 or penalty on the tax, administered by the department at the
138 12 time of application. If the applicant is a partnership, a
138 13 permit may be denied if a partner is substantially delinquent
138 14 in paying any delinquent tax, penalty, or interest. If the
138 15 applicant is a corporation, a permit may be denied if any
138 16 officer having a substantial legal or equitable interest in
138 17 the ownership of the corporation owes any delinquent tax,
138 18 penalty, or interest.

138 19 3. The department shall grant and issue to each applicant
138 20 a permit for each place of business in this state where sales
138 21 or use tax is collected. A permit is not assignable and is
138 22 valid only for the person in whose name it is issued and for
138 23 the transaction of business at the place designated or at a
138 24 place of relocation within the state if the ownership remains
138 25 the same.

138 26 If an applicant is making sales outside Iowa for use in
138 27 this state or furnishing services outside Iowa, the product or
138 28 result of which will be used in this state, that applicant
138 29 shall be issued one use tax permit by the department
138 30 applicable to these out-of-state sales or services.

138 31 4. Permits issued under this section are valid and
138 32 effective until revoked by the department.

138 33 5. If the holder of a permit fails to comply with any of
138 34 the provisions of this subchapter or of subchapter II or III
138 35 or any order or rule of the department adopted under those
139 1 subchapters or is substantially delinquent in the payment of a
139 2 tax administered by the department or the interest or penalty
139 3 on the tax, or if the person is a corporation and if any
139 4 officer having a substantial legal or equitable interest in
139 5 the ownership of the corporation owes any delinquent tax of
139 6 the permit-holding corporation, or interest or penalty on the
139 7 tax, administered by the department, the director may revoke
139 8 the permit. The director shall send notice by mail to a
139 9 permit holder informing that person of the director's intent
139 10 to revoke the permit and of the permit holder's right to a
139 11 hearing on the matter. If the permit holder petitions the
139 12 director for a hearing on the proposed revocation, after
139 13 giving ten days' notice of the time and place of the hearing
139 14 in accordance with section 17A.18, subsection 3, the matter
139 15 may be heard and a decision rendered. The director may
139 16 restore permits after revocation. The director shall adopt
139 17 rules setting forth the period of time a retailer must wait
139 18 before a permit may be restored or a new permit may be issued.
139 19 The waiting period shall not exceed ninety days from the date
139 20 of the revocation of the permit.

139 21 6. Sellers who are not regularly engaged in selling at
139 22 retail and do not have a permanent place of business, but who
139 23 are temporarily engaged in selling from trucks, portable
139 24 roadside stands, concessionaires at state, county, district,

139 25 or local fairs, carnivals, or the like, shall report and remit
139 26 the sales tax on a temporary basis, under rules the director
139 27 shall provide for the efficient collection of the sales tax.
139 28 This subsection applies to sellers who are temporarily engaged
139 29 in furnishing services.
139 30 Persons engaged in selling tangible personal property or
139 31 furnishing services shall not be required to obtain or retain
139 32 a sales tax permit for a place of business at which taxable
139 33 sales of tangible personal property or taxable performance of
139 34 services will not occur.

139 35 7. The provisions of subsection 1, dealing with the lawful
140 1 right of a retailer to transact business, as applicable, apply
140 2 to persons having receipts from furnishing services enumerated
140 3 in section 423.2, except that a person holding a permit
140 4 pursuant to subsection 1 shall not be required to obtain any
140 5 separate sales tax permit for the purpose of engaging in
140 6 business involving the services.

140 7 8. a. Except as provided in paragraph "b", purchasers,
140 8 users, and consumers of tangible personal property or
140 9 enumerated services taxed pursuant to subchapter II or III of
140 10 this chapter or chapters 423B and 423E may be authorized,
140 11 pursuant to rules adopted by the director, to remit tax owed
140 12 directly to the department instead of the tax being collected
140 13 and paid by the seller. To qualify for a direct pay tax
140 14 permit, the purchaser, user, or consumer must accrue a tax
140 15 liability of more than four thousand dollars in tax under
140 16 subchapters II and III in a semimonthly period and make
140 17 deposits and file returns pursuant to section 423.31. This
140 18 authority shall not be granted or exercised except upon
140 19 application to the director and then only after issuance by
140 20 the director of a direct pay tax permit.

140 21 b. The granting of a direct pay tax permit is not
140 22 authorized for any of the following:

140 23 (1) Taxes imposed on the sales, furnishing, or service of
140 24 gas, electricity, water, heat, pay television service, and
140 25 communication service.

140 26 (2) Taxes imposed under sections 423.26 and 423.27 and
140 27 chapter 423C.

140 28 Sec. 130. NEW SECTION. 423.37 FAILURE TO FILE SALES OR
140 29 USE TAX RETURNS == INCORRECT RETURNS.

140 30 1. As soon as practicable after a return is filed and in
140 31 any event within three years after the return is filed, the
140 32 department shall examine it, assess and determine the tax due
140 33 if the return is found to be incorrect, and give notice to the
140 34 person liable for the tax of the assessment and determination
140 35 as provided in subsection 2. The period for the examination
141 1 and determination of the correct amount of tax is unlimited in
141 2 the case of a false or fraudulent return made with the intent
141 3 to evade tax or in the case of a failure to file a return.

141 4 2. If a return required by this subchapter is not filed,
141 5 or if a return when filed is incorrect or insufficient and the
141 6 maker fails to file a corrected or sufficient return within
141 7 twenty days after the same is required by notice from the
141 8 department, the department shall determine the amount of tax
141 9 due from information as the department may be able to obtain
141 10 and, if necessary, may estimate the tax on the basis of
141 11 external indices, such as number of employees of the person
141 12 concerned, rentals paid by the person, stock on hand, or other
141 13 factors. The department shall give notice of the
141 14 determination to the person liable for the tax. The
141 15 determination shall fix the tax unless the person against whom
141 16 it is assessed shall, within sixty days after the giving of
141 17 notice of the determination, apply to the director for a
141 18 hearing or unless the taxpayer contests the determination by
141 19 paying the tax, interest, and penalty and timely filing a
141 20 claim for refund. At the hearing evidence may be offered to
141 21 support the determination or to prove that it is incorrect.
141 22 After the hearing the director shall give notice of the
141 23 decision to the person liable for the tax.

141 24 3. The three-year period of limitation provided in
141 25 subsection 1 may be extended by a taxpayer by signing a waiver
141 26 agreement form to be provided by the department. The
141 27 agreement shall stipulate the period of extension and the tax
141 28 period to which the extension applies. The agreement shall
141 29 also provide that a claim for refund may be filed by the
141 30 taxpayer at any time during the period of extension.

141 31 Sec. 131. NEW SECTION. 423.38 JUDICIAL REVIEW.

141 32 1. Judicial review of actions of the director may be
141 33 sought in accordance with the terms of the Iowa administrative
141 34 procedure Act.

141 35 2. For cause and upon a showing by the director that

142 1 collection of the tax in dispute is in doubt, the court may
142 2 order the petitioner to file with the clerk a bond for the use
142 3 of the respondent, with sureties approved by the clerk, in the
142 4 amount of tax appealed from, conditioned that the petitioner
142 5 shall perform the orders of the court.
142 6 3. An appeal may be taken by the taxpayer or the director
142 7 to the supreme court of this state irrespective of the amount
142 8 involved.

142 9 Sec. 132. NEW SECTION. 423.39 SERVICE OF NOTICES.
142 10 1. A notice authorized or required under this subchapter
142 11 may be given by mailing the notice to the person for whom it
142 12 is intended, addressed to that person at the address given in
142 13 the last return filed by the person pursuant to this
142 14 subchapter, or if no return has been filed, then to any
142 15 address obtainable. The mailing of the notice is presumptive
142 16 evidence of the receipt of the notice by the person to whom
142 17 addressed. Any period of time which is determined according
142 18 to this subchapter by the giving of notice commences to run
142 19 from the date of mailing of the notice.
142 20 2. The provisions of the Code relative to the limitation
142 21 of time for the enforcement of a civil remedy shall not apply
142 22 to any proceeding or action taken to levy, appraise, assess,
142 23 determine, or enforce the collection of any tax or penalty
142 24 provided by this chapter.

142 25 Sec. 133. NEW SECTION. 423.40 PENALTIES == OFFENSES ==
142 26 LIMITATION.
142 27 1. In addition to the sales or use tax or additional sales
142 28 or use tax, the taxpayer shall pay a penalty as provided in
142 29 section 421.27. The taxpayer shall also pay interest on the
142 30 sales or use tax or additional sales or use tax at the rate in
142 31 effect under section 421.7 for each month counting each
142 32 fraction of a month as an entire month, computed from the date
142 33 the semimonthly or monthly tax deposit form or return was
142 34 required to be filed. The penalty and interest shall be paid
142 35 to the department and disposed of in the same manner as other
143 1 receipts under this subchapter. Unpaid penalties and interest
143 2 may be enforced in the same manner as the taxes imposed by
143 3 this chapter.
143 4 2. a. Any person who knowingly sells tangible personal
143 5 property, tickets or admissions to places of amusement and
143 6 athletic events, or gas, water, electricity, or communication
143 7 service at retail, or engages in the furnishing of services
143 8 enumerated in section 423.2, in this state without procuring a
143 9 permit to collect tax, as provided in section 423.36, or who
143 10 violates section 423.24 and the officers of any corporation
143 11 who so act are guilty of a serious misdemeanor.
143 12 b. A person who knowingly sells tangible personal
143 13 property, tickets or admissions to places of amusement and
143 14 athletic events, or gas, water, electricity, or communication
143 15 service at retail, or engages in the furnishing of services
143 16 enumerated in section 423.2, in this state after the person's
143 17 sales tax permit has been revoked and before it has been
143 18 restored as provided in section 423.36, subsection 5, and the
143 19 officers of any corporation who so act are guilty of an
143 20 aggravated misdemeanor.
143 21 3. A person who willfully attempts in any manner to evade
143 22 any tax imposed by this chapter or the payment of the tax or a
143 23 person who makes or causes to be made a false or fraudulent
143 24 semimonthly or monthly tax deposit form or return with intent
143 25 to evade any tax imposed by subchapter II or III or the
143 26 payment of the tax is guilty of a class "D" felony.
143 27 4. The certificate of the director to the effect that a
143 28 tax has not been paid, that a return has not been filed, or
143 29 that information has not been supplied pursuant to the
143 30 provisions of this subchapter shall be prima facie evidence
143 31 thereof.
143 32 5. A person required to pay sales or use tax, or to make,
143 33 sign, or file a tax deposit form or return or supplemental
143 34 return, who willfully makes a false or fraudulent tax deposit
143 35 form or return, or willfully fails to pay at least ninety
144 1 percent of the tax or willfully fails to make, sign, or file
144 2 the tax deposit form or return, at the time required by law,
144 3 is guilty of a fraudulent practice.
144 4 6. A prosecution for an offense specified in this section
144 5 shall be commenced within six years after its commission.

144 6 Sec. 134. NEW SECTION. 423.41 BOOKS == EXAMINATION.
144 7 Every retailer required or authorized to collect taxes
144 8 imposed by this chapter and every person using in this state
144 9 tangible personal property, services, or the product of
144 10 services shall keep records, receipts, invoices, and other
144 11 pertinent papers as the director shall require, in the form

144 12 that the director shall require, for as long as the director
144 13 has the authority to examine and determine tax due. The
144 14 director or any duly authorized agent of the department may
144 15 examine the books, papers, records, and equipment of any
144 16 person either selling tangible personal property or services
144 17 or liable for the tax imposed by this chapter, and investigate
144 18 the character of the business of any person in order to verify
144 19 the accuracy of any return made, or if a return was not made
144 20 by the person, ascertain and determine the amount due under
144 21 this chapter. These books, papers, and records shall be made
144 22 available within this state for examination upon reasonable
144 23 notice when the director deems it advisable and so orders.
144 24 The preceding requirements shall likewise apply to users and
144 25 persons furnishing services enumerated in section 423.2.

144 26 Sec. 135. NEW SECTION. 423.42 STATUTES APPLICABLE.

144 27 1. The director shall administer the taxes imposed by
144 28 subchapters II and III in the same manner and subject to all
144 29 the provisions of, and all of the powers, duties, authority,
144 30 and restrictions contained in, section 422.25, subsection 4,
144 31 section 422.30, and sections 422.67 through 422.75.

144 32 2. All the provisions of section 422.26 shall apply in
144 33 respect to the taxes and penalties imposed by subchapters II
144 34 and III and this subchapter, except that, as applied to any
144 35 tax imposed by subchapters II and III, the lien provided in
145 1 section 422.26 shall be prior and paramount over all
145 2 subsequent liens upon any personal property within this state,
145 3 or right to such personal property, belonging to the taxpayer
145 4 without the necessity of recording as provided in section
145 5 422.26. The requirements for recording shall, as applied to
145 6 the taxes imposed by subchapters II and III, apply only to the
145 7 liens upon real property. When requested to do so by any
145 8 person from whom a taxpayer is seeking credit, or with whom
145 9 the taxpayer is negotiating the sale of any personal property,
145 10 or by any other person having a legitimate interest in such
145 11 information, the director shall, upon being satisfied that
145 12 such a situation exists, inform that person as to the amount
145 13 of unpaid taxes due by such taxpayer under the provisions of
145 14 subchapters II and III. The giving of this information under
145 15 these circumstances shall not be deemed a violation of section
145 16 422.72 as applied to subchapters II and III.

145 17 Sec. 136. NEW SECTION. 423.43 DEPOSIT OF REVENUE ==
145 18 APPROPRIATIONS.

145 19 Except as otherwise provided in section 312.2, subsection
145 20 14, all revenues derived from the use tax on motor vehicles,
145 21 trailers, and motor vehicle accessories and equipment as
145 22 collected pursuant to sections 423.26 and 423.27 shall be
145 23 deposited and credited to the road use tax fund and shall be
145 24 used exclusively for the construction, maintenance, and
145 25 supervision of public highways.

145 26 1. Notwithstanding any provision of this section which
145 27 provides that all revenues derived from the use tax on motor
145 28 vehicles, trailers, and motor vehicle accessories and
145 29 equipment as collected pursuant to sections 423.26 and 423.27
145 30 shall be deposited and credited to the road use tax fund,
145 31 eighty percent of the revenues shall be deposited and credited
145 32 as follows:

145 33 a. Twenty-five percent of all such revenue, up to a
145 34 maximum of four million two hundred fifty thousand dollars per
145 35 quarter, shall be deposited into and credited to the Iowa
146 1 comprehensive petroleum underground storage tank fund created
146 2 in section 455G.3, and the moneys so deposited are a
146 3 continuing appropriation for expenditure under chapter 455G,
146 4 and moneys so appropriated shall not be used for other
146 5 purposes.

146 6 b. Any such revenues remaining shall be credited to the
146 7 road use tax fund.

146 8 2. Notwithstanding any other provision of this section
146 9 that provides that all revenue derived from the use tax on
146 10 motor vehicles, trailers, and motor vehicle accessories and
146 11 equipment as collected pursuant to section 423.26 shall be
146 12 deposited and credited to the road use tax fund, twenty
146 13 percent of the revenues shall be credited and deposited as
146 14 follows: one-half to the road use tax fund and one-half to
146 15 the primary road fund to be used for the commercial and
146 16 industrial highway network.

146 17 3. All other revenue arising under the operation of this
146 18 chapter shall be credited to the general fund of the state.

146 19 Sec. 137. NEW SECTION. 423.44 REIMBURSEMENT FOR PRIMARY
146 20 ROAD FUND.

146 21 From moneys deposited into the road use tax fund, the
146 22 department may credit to the primary road fund any amount of

146 23 revenues derived from the use tax on motor vehicles, trailers,
146 24 and motor vehicle accessories and equipment as collected
146 25 pursuant to sections 423.26 and 423.27 to the extent necessary
146 26 to reimburse that fund for the expenditures not otherwise
146 27 eligible to be made from the primary road fund, which are made
146 28 for repairing, improving, and maintaining bridges over the
146 29 rivers bordering the state. Expenditures for those portions
146 30 of bridges within adjacent states may be included when they
146 31 are made pursuant to an agreement entered into under section
146 32 313.63, 313A.34, or 314.10.

146 33 Sec. 138. NEW SECTION. 423.45 REFUNDS == EXEMPTION
146 34 CERTIFICATES.

146 35 1. If an amount of tax represented by a retailer to a
147 1 consumer or user as constituting tax due is computed upon a
147 2 sales price that is not taxable or the amount represented is
147 3 in excess of the actual taxable amount and the amount
147 4 represented is actually paid by the consumer or user to the
147 5 retailer, the excess amount of tax paid shall be returned to
147 6 the consumer or user upon notification to the retailer by the
147 7 department that an excess payment exists.

147 8 2. If an amount of tax represented by a retailer to a
147 9 consumer or user as constituting tax due is computed upon a
147 10 sales price that is not taxable or the amount represented is
147 11 in excess of the actual taxable amount and the amount
147 12 represented is actually paid by the consumer or user to the
147 13 retailer, the excess amount of tax paid shall be returned to
147 14 the consumer or user upon proper notification to the retailer
147 15 by the consumer or user that an excess payment exists.
147 16 "Proper" notification is written notification which allows a
147 17 retailer at least sixty days to respond and which contains
147 18 enough information to allow a retailer to determine the
147 19 validity of a consumer's or user's claim that an excess amount
147 20 of tax has been paid. No cause of action shall accrue against
147 21 a retailer for excess tax paid until sixty days after proper
147 22 notice has been given the retailer by the consumer or user.

147 23 3. In the circumstances described in subsections 1 and 2,
147 24 a retailer has the option to either return any excess amount
147 25 of tax paid to a consumer or user, or to remit the amount
147 26 which a consumer or user has paid to the retailer to the
147 27 department.

147 28 4. a. The department shall issue or the seller may
147 29 separately provide exemption certificates in the form
147 30 prescribed by the director, including certificates not made of
147 31 paper, which conform to the requirements of paragraph "c", to
147 32 assist retailers in properly accounting for nontaxable sales
147 33 of tangible personal property or services to purchasers for a
147 34 nontaxable purpose. The department shall also allow the use
147 35 of exemption certificates for those circumstances in which a
148 1 sale is taxable but the seller is not obligated to collect tax
148 2 from the buyer.

148 3 b. The sales tax liability for all sales of tangible
148 4 personal property and all sales of services is upon the seller
148 5 and the purchaser unless the seller takes in good faith from
148 6 the purchaser a valid exemption certificate stating under
148 7 penalty of perjury that the purchase is for a nontaxable
148 8 purpose and is not a retail sale as defined in section 423.1,
148 9 or the seller is not obligated to collect tax due, or unless
148 10 the seller takes a fuel exemption certificate pursuant to
148 11 subsection 5. If the tangible personal property or services
148 12 are purchased tax free pursuant to a valid exemption
148 13 certificate which is taken in good faith by the seller, and
148 14 the tangible personal property or services are used or
148 15 disposed of by the purchaser in a nonexempt manner, the
148 16 purchaser is solely liable for the taxes and shall remit the
148 17 taxes directly to the department and sections 423.31, 423.32,
148 18 423.37, 423.38, 423.39, 423.40, 423.41, and 423.42 shall apply
148 19 to the purchaser.

148 20 c. A valid exemption certificate is an exemption
148 21 certificate which is complete and correct according to the
148 22 requirements of the director.

148 23 d. A valid exemption certificate is taken in good faith by
148 24 the seller when the seller has exercised that caution and
148 25 diligence which honest persons of ordinary prudence would
148 26 exercise in handling their own business affairs, and includes
148 27 an honesty of intention and freedom from knowledge of
148 28 circumstances which ought to put one upon inquiry as to the
148 29 facts. In order for a seller to take a valid exemption
148 30 certificate in good faith, the seller must exercise reasonable
148 31 prudence to determine the facts supporting the valid exemption
148 32 certificate, and if any facts upon such certificate would lead
148 33 a reasonable person to further inquiry, such inquiry must be

148 34 made with an honest intent to discover the facts.
148 35 e. If the circumstances change and as a result the
149 1 tangible personal property or services are used or disposed of
149 2 by the purchaser in a nonexempt manner or the purchaser
149 3 becomes obligated to pay the tax, the purchaser is liable
149 4 solely for the taxes and shall remit the taxes directly to the
149 5 department in accordance with this subsection.
149 6 5. a. The department shall issue or the seller may
149 7 separately provide fuel exemption certificates in the form
149 8 prescribed by the director.
149 9 b. For purposes of this subsection:
149 10 (1) "Fuel" includes gas, electricity, water, heat, steam,
149 11 and any other tangible personal property consumed in creating
149 12 heat, power, or steam.
149 13 (2) "Fuel consumed in processing" means fuel used or
149 14 consumed for processing including grain drying, for providing
149 15 heat or cooling for livestock buildings or for greenhouses or
149 16 buildings or parts of buildings dedicated to the production of
149 17 flowering, ornamental, or vegetable plants intended for sale
149 18 in the ordinary course of business, for use in aquaculture
149 19 production, or for generating electric current, or in
149 20 implements of husbandry engaged in agricultural production.
149 21 (3) "Fuel exemption certificate" means an exemption
149 22 certificate given by the purchaser under penalty of perjury to
149 23 assist retailers in properly accounting for nontaxable sales
149 24 of fuel consumed in processing.
149 25 (4) "Substantial change" means a change in the use or
149 26 disposition of tangible personal property and services by the
149 27 purchaser such that the purchaser pays less than ninety
149 28 percent of the purchaser's actual sales tax liability. A
149 29 change includes a misstatement of facts in an application made
149 30 pursuant to paragraph "d" or in a fuel exemption certificate.
149 31 c. The seller may accept a completed fuel exemption
149 32 certificate, as prepared by the purchaser, for three years
149 33 unless the purchaser files a new completed exemption
149 34 certificate. If the fuel is purchased tax free pursuant to a
149 35 fuel exemption certificate which is taken by the seller, and
150 1 the fuel is used or disposed of by the purchaser in a
150 2 nonexempt manner, the purchaser is solely liable for the
150 3 taxes, and shall remit the taxes directly to the department
150 4 and sections 423.31, 423.32, 423.37, 423.38, 423.39, 423.40,
150 5 423.41, and 423.42 shall apply to the purchaser.
150 6 d. The purchaser may apply to the department for its
150 7 review of the fuel exemption certificate. In this event, the
150 8 department shall review the fuel exemption certificate within
150 9 twelve months from the date of application and determine the
150 10 correct amount of the exemption. If the amount determined by
150 11 the department is different than the amount that the purchaser
150 12 claims is exempt, the department shall promptly notify the
150 13 purchaser of the determination. Failure of the department to
150 14 make a determination within twelve months from the date of
150 15 application shall constitute a determination that the fuel
150 16 exemption certificate is correct as submitted. A
150 17 determination of exemption by the department is final unless
150 18 the purchaser appeals to the director for a revision of the
150 19 determination within sixty days after the date of the notice
150 20 of determination. The director shall grant a hearing, and
150 21 upon the hearing, the director shall determine the correct
150 22 exemption and notify the purchaser of the decision by mail.
150 23 The decision of the director is final unless the purchaser
150 24 seeks judicial review of the director's decision under section
150 25 423.38 within sixty days after the date of the notice of the
150 26 director's decision. Unless there is a substantial change,
150 27 the department shall not impose penalties pursuant to section
150 28 423.40 both retroactively to purchases made after the date of
150 29 application and prospectively until the department gives
150 30 notice to the purchaser that a tax or additional tax is due,
150 31 for failure to remit any tax due which is in excess of a
150 32 determination made under this section. A determination made
150 33 by the department pursuant to this subsection does not
150 34 constitute an audit for purposes of section 423.37.
150 35 e. If the circumstances change and the fuel is used or
151 1 disposed of by the purchaser in a nonexempt manner, the
151 2 purchaser is solely liable for the taxes and shall remit the
151 3 taxes directly to the department in accordance with paragraph
151 4 "c".
151 5 f. The purchaser shall attach documentation to the fuel
151 6 exemption certificate which is reasonably necessary to support
151 7 the exemption for fuel consumed in processing. If the
151 8 purchaser files a new exemption certificate with the seller,
151 9 documentation shall not be required if the purchaser

151 10 previously furnished the seller with this documentation and
151 11 substantial change has not occurred since that documentation
151 12 was furnished or if fuel consumed in processing is separately
151 13 metered and billed by the seller.

151 14 6. Nothing in this section authorizes any cause of action
151 15 by any person to recover sales or use taxes directly from the
151 16 state or extends any person's time to seek a refund of sales
151 17 or use taxes which have been collected and remitted to the
151 18 state.

151 19 Sec. 139. NEW SECTION. 423.46 RATE AND BASE CHANGES.

151 20 The department shall make a reasonable effort to provide
151 21 sellers with as much advance notice as practicable of a rate
151 22 change and to notify sellers of legislative changes in the tax
151 23 base and amendments to sales and use tax rules. Failure of a
151 24 seller to receive notice or failure of this state to provide
151 25 notice or limit the effective date of a rate change shall not
151 26 relieve the seller of its obligation to collect sales or use
151 27 taxes for this state.

151 28 Sec. 140. NEW SECTION. 423.47 REFUNDS AND CREDITS.

151 29 If it shall appear that, as a result of mistake, an amount
151 30 of tax, penalty, or interest has been paid which was not due
151 31 under the provisions of this chapter, such amount shall be
151 32 credited against any tax due, or to become due, on the books
151 33 of the department from the person who made the erroneous
151 34 payment, or such amount shall be refunded to such person by
151 35 the department. A claim for refund or credit that has not
152 1 been filed with the department within three years after the
152 2 tax payment for which a refund or credit is claimed became
152 3 due, or one year after such tax payment was made, whichever
152 4 time is the later, shall not be allowed by the director.

152 5 SUBCHAPTER VI

152 6 SALES AND USE TAX ACT == ADMINISTRATION OF
152 7 RETAILERS REGISTERED VOLUNTARILY UNDER THE
152 8 AGREEMENT

152 9 Sec. 141. NEW SECTION. 423.48 RESPONSIBILITIES AND
152 10 RIGHTS OF SELLERS REGISTERED UNDER THE AGREEMENT.

152 11 1. By registering under the agreement, the seller agrees
152 12 to collect and remit sales and use taxes for all its taxable
152 13 Iowa sales. Iowa's withdrawal from the agreement or
152 14 revocation of its membership in the agreement shall not
152 15 relieve a seller from its responsibility to remit taxes
152 16 previously collected on behalf of this state.

152 17 2. The following provisions apply to any seller who
152 18 registers under the agreement:

152 19 a. The seller may register on=line.

152 20 b. Registration under the agreement and the collection of
152 21 Iowa sales and use taxes shall not be used as factors in
152 22 determining whether the seller has nexus with Iowa for any
152 23 tax.

152 24 c. If registered under the agreement with any other member
152 25 state, the seller is considered to be registered in Iowa.

152 26 d. The seller is not required to pay registration fees or
152 27 other charges.

152 28 e. A written signature from the seller is not required.

152 29 f. The seller may register by way of an agent. The
152 30 agent's appointment shall be in writing and submitted to the
152 31 department if requested by the department.

152 32 g. The seller may cancel its registration at any time
152 33 under procedures adopted by the governing board established
152 34 pursuant to the agreement. Cancellation does not relieve the
152 35 seller of its liability for remitting any Iowa taxes
153 1 collected.

153 2 3. The following additional responsibilities and rights
153 3 apply to model sellers:

153 4 a. A model 1 seller's obligation to calculate, collect,
153 5 and remit sales and use taxes shall be performed by its
153 6 certified service provider, except for the seller's obligation
153 7 to remit tax on its own purchases. As the seller's agent, the
153 8 certified service provider is liable for its model 1 seller's
153 9 sales and use tax due Iowa on all sales transactions it
153 10 processes for the seller except as set out in this section. A
153 11 seller that contracts with a certified service provider is not
153 12 liable to the state for sales or use tax due on transactions
153 13 processed by the certified service provider unless the seller
153 14 misrepresents the types of items or services it sells or
153 15 commits fraud. In the absence of probable cause to believe
153 16 that the seller has committed fraud or made a material
153 17 misrepresentation, the seller is not subject to audit on the
153 18 transactions processed by the certified service provider. A
153 19 model 1 seller is subject to audit for transactions not
153 20 processed by the certified service provider. The director is

153 21 authorized to perform a system check of the model 1 seller and
153 22 review the seller's procedures to determine if the certified
153 23 service provider's system is functioning properly and the
153 24 extent to which the seller's transactions are being processed
153 25 by the certified service provider.
153 26 b. A model 2 seller shall calculate the amount of tax due
153 27 on a transaction by the use of a certified automated system,
153 28 but shall collect and remit tax on its own sales. A person
153 29 that provides a certified automated system is responsible for
153 30 the proper functioning of that system and is liable to this
153 31 state for underpayments of tax attributable to errors in the
153 32 functioning of the certified automated system. A seller that
153 33 uses a certified automated system remains responsible and is
153 34 liable to the state for reporting and remitting tax.
153 35 c. A model 3 seller shall use its own proprietary
154 1 automated system to calculate tax due and collect and remit
154 2 tax on its own sales. A model 3 seller is liable for the
154 3 failure of its proprietary automated system to meet the
154 4 applicable performance standard.
154 5 Sec. 142. NEW SECTION. 423.49 RETURNS.
154 6 1. All model 1, 2, or 3 sellers are subject to all of the
154 7 following return requirements:
154 8 a. The seller is required to file only one return per
154 9 month for this state and for all taxing jurisdictions within
154 10 this state.
154 11 b. The date for filing returns shall be determined under
154 12 rules adopted by the director. However, in no case shall the
154 13 return be due earlier than the twentieth day of the following
154 14 month.
154 15 c. The director shall request additional information
154 16 returns. These returns shall not be required more frequently
154 17 than every six months.
154 18 2. Any registered seller which does not have a legal
154 19 obligation to register in this state and is not a model 1, 2,
154 20 or 3 seller is subject to all of the following return
154 21 requirements:
154 22 a. The seller is required to file a return within one year
154 23 of the month of initial registration and shall file a return
154 24 on an annual basis in succeeding years.
154 25 b. In addition to the return required in paragraph "a", if
154 26 the seller accumulates more than one thousand dollars in total
154 27 state and local tax, the seller is required to file a return
154 28 in the following month.
154 29 c. The format of the return and the due date of the
154 30 initial return and the annual return shall be determined under
154 31 rules adopted by the department.
154 32 Sec. 143. NEW SECTION. 423.50 REMITTANCE OF FUNDS.
154 33 1. Only one remittance of tax per return is required
154 34 except as provided in this subsection. Sellers that collect
154 35 more than thirty thousand dollars in sales and use taxes for
155 1 this state during the preceding calendar year shall be
155 2 required to make additional remittances as required under
155 3 rules adopted by the director. The filing of a return is not
155 4 required with an additional remittance.
155 5 2. All remittances shall be remitted electronically.
155 6 3. Electronic payments may be made either by automated
155 7 clearinghouse credit or automated clearinghouse debit. Any
155 8 data accompanying a remittance must be formatted using uniform
155 9 tax type and payment codes approved by the governing board
155 10 established pursuant to the agreement. An alternative method
155 11 for making same-day payments shall be determined under rules
155 12 adopted by the director.
155 13 4. If a due date falls on a legal banking holiday in this
155 14 state, the taxes are due on the succeeding business day.
155 15 Sec. 144. NEW SECTION. 423.51 ADMINISTRATION OF
155 16 EXEMPTIONS.
155 17 1. The following provisions shall apply when a purchaser
155 18 claims an exemption:
155 19 a. The seller shall obtain identifying information of the
155 20 purchaser and the reason for claiming a tax exemption at the
155 21 time of the purchase as determined by the member states acting
155 22 jointly.
155 23 b. A purchaser is not required to provide a signature to
155 24 claim an exemption from tax unless a paper certificate is
155 25 used.
155 26 c. The seller shall use the standard form for claiming an
155 27 exemption electronically as adopted jointly by the member
155 28 states.
155 29 d. The seller shall obtain the same information for proof
155 30 of a claimed exemption regardless of the medium in which the
155 31 transaction occurred.

155 32 e. The department may authorize a system wherein the
155 33 purchaser exempt from the payment of the tax is issued an
155 34 identification number which shall be presented to the seller
155 35 at the time of the sale.

156 1 f. The seller shall maintain proper records of exempt
156 2 transactions and provide them to the department when
156 3 requested.

156 4 g. The department shall administer entity-based and use=
156 5 based exemptions when practicable through a direct pay tax
156 6 permit, an exemption certificate, or another means that does
156 7 not burden sellers. For the purposes of this paragraph:

156 8 (1) An "entity-based exemption" is an exemption based on
156 9 who purchases the product or who sells the product.

156 10 (2) A "use-based exemption" is an exemption based on the
156 11 purchaser's use of the product.

156 12 2. Sellers that follow the requirements of this section
156 13 are relieved from any tax otherwise applicable if it is
156 14 determined that the purchaser improperly claimed an exemption
156 15 and that the purchaser is liable for the nonpayment of tax.
156 16 This relief from liability does not apply to a seller who
156 17 fraudulently fails to collect the tax or solicits purchasers
156 18 to participate in the unlawful claim of an exemption.

156 19 Sec. 145. NEW SECTION. 423.52 RELIEF FROM LIABILITY FOR
156 20 SELLERS AND CERTIFIED SERVICE PROVIDERS.

156 21 Sellers and certified service providers are relieved from
156 22 liability to this state or its local taxing jurisdictions for
156 23 having charged and collected the incorrect amount of sales or
156 24 use tax resulting from the seller or certified service
156 25 provider relying on erroneous data provided by this state on
156 26 tax rates, boundaries, or taxing jurisdiction assignments. If
156 27 this state provides an address-based system for assigning
156 28 taxing jurisdictions whether or not pursuant to the federal
156 29 Mobile Telecommunications Sourcing Act, the director is not
156 30 required to provide liability relief for errors resulting from
156 31 reliance on the information provided by this state.

156 32 Sec. 146. NEW SECTION. 423.53 BAD DEBTS AND MODEL 1
156 33 SELLERS.

156 34 A certified service provider may claim, on behalf of a
156 35 model 1 seller, any bad debt deduction as provided in section
157 1 423.21. The certified service provider must credit or refund
157 2 the full amount of any bad debt deduction or refund received
157 3 to the seller.

157 4 Sec. 147. NEW SECTION. 423.54 AMNESTY FOR REGISTERED
157 5 SELLERS.

157 6 1. Subject to the limitations in subsections 2 through 6,
157 7 the following provisions apply:

157 8 a. Amnesty is provided for uncollected or unpaid sales or
157 9 use tax to a seller who registers to pay or to collect and
157 10 remit applicable sales or use tax on sales made to purchasers
157 11 in this state in accordance with the terms of the agreement,
157 12 provided the seller was not so registered in this state in the
157 13 twelve-month period preceding the commencement of Iowa's
157 14 participation in the agreement.

157 15 b. Amnesty precludes assessment of the seller for
157 16 uncollected or unpaid sales or use tax together with penalty
157 17 or interest for sales made during the period the seller was
157 18 not registered in this state, provided registration occurs
157 19 within twelve months of the commencement of Iowa's
157 20 participation in the agreement.

157 21 c. Amnesty shall be provided to any seller lawfully
157 22 registered under the agreement by any other member state prior
157 23 to the date of the commencement of Iowa's participation in the
157 24 agreement.

157 25 2. Amnesty is not available to a seller with respect to
157 26 any matter or matters for which the seller received notice of
157 27 the commencement of an audit and which audit is not yet
157 28 finally resolved, including any related administrative and
157 29 judicial processes.

157 30 3. Amnesty is not available for sales or use taxes already
157 31 paid or remitted or to taxes collected by the seller.

157 32 4. Amnesty is fully effective absent the seller's fraud or
157 33 intentional misrepresentation of a material fact as long as
157 34 the seller continues registration and continues payment or
157 35 collection and remittance of applicable sales or use taxes for
158 1 a period of at least thirty=six months. The statute of
158 2 limitations applicable to asserting a tax liability is tolled
158 3 during this thirty=six month period.

158 4 5. Amnesty is applicable only to sales or use taxes due
158 5 from a seller in its capacity as a seller and not to sales or
158 6 use taxes due from a seller in its capacity as a buyer.

158 7 6. The director may allow amnesty on terms and conditions

158 8 more favorable to a seller than the terms required by this
158 9 section.

158 10 Sec. 148. NEW SECTION. 423.55 DATABASES.
158 11 The department shall provide and maintain databases
158 12 required by the agreement for the benefit of sellers
158 13 registered under the agreement.

158 14 Sec. 149. NEW SECTION. 423.56 CONFIDENTIALITY AND
158 15 PRIVACY PROTECTIONS UNDER MODEL 1.

158 16 1. As used in this section:
158 17 a. "Anonymous data" means information that does not
158 18 identify a person.
158 19 b. "Confidential taxpayer information" means all
158 20 information that is protected under this state's laws, rules,
158 21 and privileges.
158 22 c. "Personally identifiable information" means information
158 23 that identifies a person.

158 24 2. With very limited exceptions, a certified service
158 25 provider shall perform its tax calculation, remittance, and
158 26 reporting functions without retaining the personally
158 27 identifiable information of consumers.

158 28 3. A certified service provider may perform its services
158 29 in this state only if the certified service provider certifies
158 30 that:
158 31 a. Its system has been designed and tested to ensure that
158 32 the fundamental precept of anonymity is respected.
158 33 b. Personally identifiable information is only used and
158 34 retained to the extent necessary for the administration of
158 35 model 1 sellers with respect to exempt purchasers.

159 1 c. It provides consumers clear and conspicuous notice of
159 2 its information practices, including what information it
159 3 collects, how it collects the information, how it uses the
159 4 information, how long, if at all, it retains the information,
159 5 and whether it discloses the information to member states.
159 6 This notice shall be satisfied by a written privacy policy
159 7 statement accessible by the public on the official web site of
159 8 the certified service provider.

159 9 d. Its collection, use, and retention of personally
159 10 identifiable information is limited to that required by the
159 11 member states to ensure the validity of exemptions from
159 12 taxation that are claimed by reason of a consumer's status or
159 13 the intended use of the goods or services purchased.

159 14 e. It provides adequate technical, physical, and
159 15 administrative safeguards so as to protect personally
159 16 identifiable information from unauthorized access and
159 17 disclosure.

159 18 4. The department shall provide public notification of its
159 19 practices relating to the collection, use, and retention of
159 20 personally identifiable information.

159 21 5. When any personally identifiable information that has
159 22 been collected and retained by the department or certified
159 23 service provider is no longer required for the purposes set
159 24 forth in subsection 3, paragraph "d", that information shall
159 25 no longer be retained by the department or certified service
159 26 provider.

159 27 6. When personally identifiable information regarding an
159 28 individual is retained by or on behalf of this state, this
159 29 state shall provide reasonable access by such individual to
159 30 his or her own information in the state's possession and a
159 31 right to correct any inaccurately recorded information.

159 32 7. This privacy policy is subject to enforcement by the
159 33 department and the attorney general.

159 34 8. This state's laws and rules regarding the collection,
159 35 use, and maintenance of confidential taxpayer information
160 1 remain fully applicable and binding. Without limitation, the
160 2 agreement does not enlarge or limit the state's or
160 3 department's authority to:
160 4 a. Conduct audits or other review as provided under the
160 5 agreement and state law.
160 6 b. Provide records pursuant to its examination of public
160 7 records law, disclosure laws of individual governmental
160 8 agencies, or other regulations.
160 9 c. Prevent, consistent with state law, disclosures of
160 10 confidential taxpayer information.
160 11 d. Prevent, consistent with federal law, disclosures or
160 12 misuse of federal return information obtained under a
160 13 disclosure agreement with the internal revenue service.
160 14 e. Collect, disclose, disseminate, or otherwise use
160 15 anonymous data for governmental purposes.

160 16 9. This privacy policy does not preclude the certification
160 17 of a certified service provider whose privacy policy is more
160 18 protective of confidential taxpayer information or personally

160 19 identifiable information than is required by the agreement.
160 20 Sec. 150. NEW SECTION. 423.57 STATUTES APPLICABLE.
160 21 The director shall administer this subchapter as it relates
160 22 to the taxes imposed in this chapter in the same manner and
160 23 subject to all the provisions of, and all of the powers,
160 24 duties, authority, and restrictions contained in sections
160 25 423.14, 423.15, 423.16, 423.17, 423.18, 423.19, 423.20,
160 26 423.21, 423.22, 423.23, 423.24, 423.25, 423.28, 423.29,
160 27 423.31, 423.32, 423.33, 423.34, 423.35, 423.37, 423.38,
160 28 423.39, 423.40, 423.41, and 423.42, section 423.43, subsection
160 29 3, and sections 423.45, 423.46, and 423.47.

160 30 Sec. 151.
160 31 1. Sections 422.42 through 422.59, Code 2003, are
160 32 repealed.

160 33 2. Chapter 423, Code 2003, is repealed.

160 34 COORDINATING AMENDMENTS

160 35 Sec. 152. Section 15.331A, Code 2003, is amended to read
161 1 as follows:

161 2 15.331A SALES, SERVICES, AND USE TAX REFUND == CONTRACTOR
161 3 OR SUBCONTRACTOR.

161 4 The eligible business or a supporting business shall be
161 5 entitled to a refund of the sales and use taxes paid under
161 6 ~~chapters 422 and chapter~~ 423 for gas, electricity, water, or
161 7 sewer utility services, goods, wares, or merchandise, or on
161 8 services rendered, furnished, or performed to or for a
161 9 contractor or subcontractor and used in the fulfillment of a
161 10 written contract relating to the construction or equipping of
161 11 a facility within the economic development area of the
161 12 eligible business or a supporting business. Taxes
161 13 attributable to intangible property and furniture and
161 14 furnishings shall not be refunded.

161 15 To receive the refund a claim shall be filed by the
161 16 eligible business or a supporting business with the department
161 17 of revenue and finance as follows:

161 18 1. The contractor or subcontractor shall state under oath,
161 19 on forms provided by the department, the amount of the sales
161 20 of goods, wares, or merchandise or services rendered,
161 21 furnished, or performed including water, sewer, gas, and
161 22 electric utility services for use in the economic development
161 23 area upon which sales or use tax has been paid prior to the
161 24 project completion, and shall file the forms with the eligible
161 25 business or supporting business before final settlement is
161 26 made.

161 27 2. The eligible business or a supporting business shall,
161 28 not more than one year after project completion, make
161 29 application to the department for any refund of the amount of
161 30 the sales and use taxes paid pursuant to chapter ~~422 or~~ 423
161 31 upon any goods, wares, or merchandise, or services rendered,
161 32 furnished, or performed, including water, sewer, gas, and
161 33 electric utility services. The application shall be made in
161 34 the manner and upon forms to be provided by the department,
161 35 and the department shall audit the claim and, if approved,
162 1 issue a warrant to the eligible business or supporting
162 2 business in the amount of the sales or use tax which has been
162 3 paid to the state of Iowa under a contract. A claim filed by
162 4 the eligible business or a supporting business in accordance
162 5 with this section shall not be denied by reason of a
162 6 limitation provision set forth in chapter ~~421, 422,~~ or 423.

162 7 3. A contractor or subcontractor who willfully makes a
162 8 false report of tax paid under the provisions of this section
162 9 is guilty of a simple misdemeanor and in addition is liable
162 10 for the payment of the tax and any applicable penalty and
162 11 interest.

162 12 Sec. 153. Section 15.334A, Code 2003, is amended to read
162 13 as follows:

162 14 15.334A SALES AND USE TAX EXEMPTION.

162 15 An eligible business may claim an exemption from sales and
162 16 use taxation under section ~~422.45~~ 423.3, subsection ~~27~~ 46, for
162 17 property which is exempt from taxation under section 15.334,
162 18 notwithstanding the requirements of section ~~422.45~~ 423.3,
162 19 subsection ~~27~~ 46, or any other provision of the Code to the
162 20 contrary.

162 21 Sec. 154. Section 15A.9, subsections 5, 6, and 7, Code
162 22 2003, are amended to read as follows:

162 23 5. PROPERTY TAX EXEMPTION.

162 24 a. All property, as defined in section 427A.1, subsection
162 25 1, paragraphs "e" and "j", Code 1993, used by the primary
162 26 business or a supporting business and located within the zone,
162 27 shall be exempt from property taxation for a period of twenty
162 28 years beginning with the year it is first assessed for
162 29 taxation. In order to be eligible for this exemption, the

162 30 property shall be acquired or leased by the primary business
162 31 or a supporting business or relocated by the primary business
162 32 or a supporting business to the zone from outside the state
162 33 prior to project completion.

162 34 b. Property which is exempt for property tax purposes
162 35 under this subsection is eligible for the sales and use tax
163 1 exemption under section ~~422.45~~ 423.3, subsection 27 46,
163 2 notwithstanding that subsection or any other provision of the
163 3 Code to the contrary.

163 4 6. SALES, SERVICES, AND USE TAX REFUND. Taxes paid
163 5 pursuant to chapter ~~422~~ or 423 on the ~~gross receipts~~ sales
163 6 price or rental price of property purchased or rented by the
163 7 primary business or a supporting business for use by the
163 8 primary business or a supporting business within the zone or
163 9 on gas, electricity, water, and sewer utility services prior
163 10 to project completion shall be refunded to the primary
163 11 business or supporting business if the item was purchased or
163 12 the service was performed or received prior to project
163 13 completion. Claims under this section shall be submitted on
163 14 forms provided by the department of revenue and finance not
163 15 later than six months after project completion. The refund in
163 16 this subsection shall not apply to furniture or furnishings,
163 17 or intangible property.

163 18 7. SALES, SERVICES, AND USE TAX REFUND == CONTRACTOR OR
163 19 SUBCONTRACTOR. The primary business or a supporting business
163 20 shall be entitled to a refund of the sales and use taxes paid
163 21 under ~~chapters 422 and~~ chapter 423 for gas, electricity,
163 22 water, or sewer utility services, goods, wares, or
163 23 merchandise, or on services rendered, furnished, or performed
163 24 to or for a contractor or subcontractor and used in the
163 25 fulfillment of a written contract relating to the construction
163 26 or equipping of a facility within the zone of the primary
163 27 business or a supporting business. Taxes attributable to
163 28 intangible property and furniture and furnishings shall not be
163 29 refunded.

163 30 To receive the refund a claim shall be filed by the primary
163 31 business or a supporting business with the department of
163 32 revenue and finance as follows:

163 33 a. The contractor or subcontractor shall state under oath,
163 34 on forms provided by the department, the amount of the sales
163 35 of goods, wares, or merchandise or services rendered,
164 1 furnished, or performed including water, sewer, gas, and
164 2 electric utility services for use in the zone upon which sales
164 3 or use tax has been paid prior to the project completion, and
164 4 shall file the forms with the primary business or supporting
164 5 business before final settlement is made.

164 6 b. The primary business or a supporting business shall,
164 7 not more than six months after project completion, make
164 8 application to the department for any refund of the amount of
164 9 the sales and use taxes paid pursuant to chapter ~~422~~ or 423
164 10 upon any goods, wares, or merchandise, or services rendered,
164 11 furnished, or performed, including water, sewer, gas, and
164 12 electric utility services. The application shall be made in
164 13 the manner and upon forms to be provided by the department,
164 14 and the department shall audit the claim and, if approved,
164 15 issue a warrant to the primary business or supporting business
164 16 in the amount of the sales or use tax which has been paid to
164 17 the state of Iowa under a contract. A claim filed by the
164 18 primary business or a supporting business in accordance with
164 19 this subsection shall not be denied by reason of a limitation
164 20 provision set forth in chapter 421, 422, or 423.

164 21 c. A contractor or subcontractor who willfully makes a
164 22 false report of tax paid under the provisions of this
164 23 subsection is guilty of a simple misdemeanor and in addition
164 24 is liable for the payment of the tax and any applicable
164 25 penalty and interest.

164 26 Sec. 155. Section 28A.17, unnumbered paragraph 1, Code
164 27 2003, is amended to read as follows:

164 28 If an authority is established as provided in section 28A.6
164 29 and after approval of a referendum by a simple majority of
164 30 votes cast in each metropolitan area in favor of the sales and
164 31 services tax, the governing board of a county in this state
164 32 within a metropolitan area which is part of the authority
164 33 shall impose, at the request of the authority, a local sales
164 34 and services tax at the rate of one-fourth of one percent on
164 35 ~~gross receipts~~ the sales price taxed by this state under
165 1 chapter ~~422~~, division IV section 423.2, within the
165 2 metropolitan area located in this state. The referendum shall
165 3 be called by resolution of the board and shall be held as
165 4 provided in section 28A.6 to the extent applicable. The
165 5 ballot proposition shall contain a statement as to the

165 6 specific purpose or purposes for which the revenues shall be
165 7 expended and the date of expiration of the tax. The local
165 8 sales and services tax shall be imposed on the same basis,
165 9 with the same exceptions, and following the same
165 10 administrative procedures as provided for a county under
165 11 sections 422B.8 and 422B.9. The amount of the sale, for the
165 12 purposes of determining the amount of the local sales and
165 13 services tax under this section, does not include the amount
165 14 of any local sales and services tax imposed under sections
165 15 422B.8 and 422B.9.

165 16 Sec. 156. Section 29C.15, Code 2003, is amended to read as
165 17 follows:
165 18 29C.15 TAX=EXEMPT PURCHASES.
165 19 All purchases under the provisions of this chapter shall be
165 20 exempt from the taxes imposed by sections ~~422.43~~ 423.2 and
165 21 ~~423.2~~ 423.5.

165 22 Sec. 157. Section 99E.10, subsection 1, paragraph b, Code
165 23 2003, is amended to read as follows:
165 24 b. An amount equal to the product of the state sales tax
165 25 rate under section ~~422.43~~ 423.2 multiplied by the gross sales
165 26 price of each ticket or share sold shall be deducted as the
165 27 sales tax on the sale of that ticket or share, remitted to the
165 28 treasurer of state and deposited into the state general fund.

165 29 Sec. 158. Section 123.187, subsection 2, Code 2003, is
165 30 amended to read as follows:
165 31 2. A winery licensed or permitted pursuant to laws
165 32 regulating alcoholic beverages in a state which affords this
165 33 state an equal reciprocal shipping privilege may ship into
165 34 this state by private common carrier, to a person twenty-one
165 35 years of age or older, not more than eighteen liters of wine
166 1 per month, for consumption or use by the person. Such wine
166 2 shall not be resold. Shipment of wine pursuant to this
166 3 subsection is not subject to sales tax under section ~~422.43~~
166 4 423.2, use tax under section ~~423.2~~ 423.5, or the wine
166 5 gallonage tax under section 123.183, and does not require a
166 6 refund value for beverage container control purposes under
166 7 chapter 455C.

166 8 Sec. 159. Section 262.54, Code 2003, is amended to read as
166 9 follows:
166 10 262.54 COMPUTER SALES.
166 11 Sales, by an institution under the control of the board of
166 12 regents, of computer equipment, computer software, and
166 13 computer supplies to students and faculty at the institution
166 14 are retail sales under chapter ~~422, division IV~~ 423.

166 15 Sec. 160. Section 303.9, subsection 2, Code 2003, is
166 16 amended to read as follows:
166 17 2. The department may sell mementos and other items
166 18 relating to Iowa history and historic sites on the premises of
166 19 property under control of the department and at the state
166 20 capitol. Notwithstanding sections 18.12 and 18.16, the
166 21 department may directly and independently enter into rental
166 22 and lease agreements with private vendors for the purpose of
166 23 selling mementos. All fees and income produced by the sales
166 24 and rental or lease agreements shall be credited to the
166 25 account of the department. The mementos and other items sold
166 26 by the department or vendors under this subsection are exempt
166 27 from section 18.6. ~~The department is not a retailer under~~
166 28 ~~chapter 422 and the sale of such mementos and other items by~~
166 29 ~~the department is not a retail sale under chapter 422 and is~~
166 30 ~~exempt from the sales tax.~~

166 31 Sec. 161. Section 312.1, subsection 4, Code 2003, is
166 32 amended to read as follows:
166 33 4. To the extent provided in section ~~423.24~~ 423.43,
166 34 subsection 1, paragraph "b", from revenue derived from the use
166 35 tax, under chapter 423 on motor vehicles, trailers, and motor
167 1 vehicle accessories and equipment.

167 2 Sec. 162. Section 312.2, subsections 14 and 16, Code 2003,
167 3 are amended to read as follows:
167 4 14. The treasurer of state, before making the allotments
167 5 provided for in this section, shall credit monthly from the
167 6 road use tax fund to the general fund of the state from
167 7 revenue credited to the road use tax fund under section ~~423.24~~
167 8 423.43, subsection 1, paragraph "b", an amount equal to one=
167 9 twentieth of eighty percent of the revenue from the operation
167 10 of section ~~423.7~~ 423.26.

167 11 There is appropriated from the general fund of the state
167 12 for each fiscal year to the state department of transportation
167 13 the amount of revenues credited to the general fund of the
167 14 state during the fiscal year under this subsection to be used
167 15 for purposes of public transit assistance under chapter 324A.

167 16 16. The treasurer of state, before making the allotments

167 17 provided for in this section, shall credit monthly from the
167 18 road use tax fund to the motorcycle rider education fund
167 19 established in section 321.180B, an amount equal to one dollar
167 20 per year of license validity for each issued or renewed
167 21 driver's license which is valid for the operation of a
167 22 motorcycle. Moneys credited to the motorcycle rider education
167 23 fund under this subsection shall be taken from moneys credited
167 24 to the road use tax fund under section ~~423.24~~ 423.43.

167 25 Sec. 163. Section 321.20, subsection 5, Code 2003, is
167 26 amended to read as follows:

167 27 5. The amount of tax to be paid under section ~~423.7~~
167 28 423.26.

167 29 Sec. 164. Section 321.24, subsections 1 and 3, Code 2003,
167 30 are amended to read as follows:

167 31 1. Upon receipt of the application for title and payment
167 32 of the required fees for a motor vehicle, trailer, or
167 33 semitrailer, the county treasurer or the department shall,
167 34 when satisfied as to the application's genuineness and
167 35 regularity, and, in the case of a mobile home or manufactured
168 1 home, that taxes are not owing under chapter 435, issue a
168 2 certificate of title and, except for a mobile home or
168 3 manufactured home, a registration receipt, and shall file the
168 4 application, the manufacturer's or importer's certificate, the
168 5 certificate of title, or other evidence of ownership, as
168 6 prescribed by the department. The registration receipt shall
168 7 be delivered to the owner and shall contain upon its face the
168 8 date issued, the name and address of the owner, the
168 9 registration number assigned to the vehicle, the amount of the
168 10 fee paid, the amount of tax paid pursuant to section ~~423.7~~
168 11 423.26, the type of fuel used, and a description of the
168 12 vehicle as determined by the department, and upon the reverse
168 13 side a form for notice of transfer of the vehicle. The name
168 14 and address of any lessee of the vehicle shall not be printed
168 15 on the registration receipt or certificate of title. Up to
168 16 three owners may be listed on the registration receipt and
168 17 certificate of title.

168 18 3. The certificate of title shall contain upon its face
168 19 the identical information required upon the face of the
168 20 registration receipt. In addition, the certificate of title
168 21 shall contain a statement of the owner's title, the title
168 22 number assigned to the owner or owners of the vehicle, the
168 23 amount of tax paid pursuant to section ~~423.7~~ 423.26, the name
168 24 and address of the previous owner, and a statement of all
168 25 security interests and encumbrances as shown in the
168 26 application, upon the vehicle described, including the nature
168 27 of the security interest, date of notation, and name and
168 28 address of the secured party.

168 29 Sec. 165. Section 321.34, subsection 7, paragraph c, Code
168 30 2003, is amended to read as follows:

168 31 c. The fees for a collegiate registration plate are as
168 32 follows:

168 33 (1) A registration fee of twenty=five dollars.

168 34 (2) A special collegiate registration fee of twenty=five
168 35 dollars.

169 1 These fees are in addition to the regular annual
169 2 registration fee. The fees collected by the director under
169 3 this subsection shall be paid monthly to the treasurer of
169 4 state and credited by the treasurer of state to the road use
169 5 tax fund. Notwithstanding section ~~423.24~~ 423.43 and prior to
169 6 the revenues being credited to the road use tax fund under
169 7 section ~~423.24~~ 423.43, subsection 1, paragraph "b", the
169 8 treasurer of state shall credit monthly from those revenues
169 9 respectively, to Iowa state university of science and
169 10 technology, the university of northern Iowa, and the state
169 11 university of Iowa, the amount of the special collegiate
169 12 registration fees collected in the previous month for
169 13 collegiate registration plates designed for the university.
169 14 The moneys credited are appropriated to the respective
169 15 universities to be used for scholarships for students
169 16 attending the universities.

169 17 Sec. 166. Section 321.34, subsection 11, paragraph c, Code
169 18 2003, is amended to read as follows:

169 19 c. The special natural resources fee for letter number
169 20 designated natural resources plates is thirty=five dollars.

169 21 The fee for personalized natural resources plates is forty=
169 22 five dollars which shall be paid in addition to the special
169 23 natural resources fee of thirty=five dollars. The fees

169 24 collected by the director under this subsection shall be paid
169 25 monthly to the treasurer of state and credited to the road use
169 26 tax fund. Notwithstanding section ~~423.24~~ 423.43, and prior to
169 27 the crediting of revenues to the road use tax fund under

169 28 section ~~423.24~~ 423.43, subsection 1, paragraph "b", the
169 29 treasurer of state shall credit monthly from those revenues to
169 30 the Iowa resources enhancement and protection fund created
169 31 pursuant to section 455A.18, the amount of the special natural
169 32 resources fees collected in the previous month for the natural
169 33 resources plates.

169 34 Sec. 167. Section 321.34, subsection 11A, paragraph c,
169 35 Code 2003, is amended to read as follows:

170 1 c. The special fee for letter number designated love our
170 2 kids plates is thirty-five dollars. The fee for personalized
170 3 love our kids plates is twenty-five dollars, which shall be
170 4 paid in addition to the special love our kids fee of thirty=
170 5 five dollars. The fees collected by the director under this
170 6 subsection shall be paid monthly to the treasurer of state and
170 7 credited to the road use tax fund. Notwithstanding section
170 8 ~~423.24~~ 423.43, and prior to the crediting of revenues to the
170 9 road use tax fund under section ~~423.24~~ 423.43, subsection 1,
170 10 paragraph "b", the treasurer of state shall transfer monthly
170 11 from those revenues to the Iowa department of public health
170 12 the amount of the special fees collected in the previous month
170 13 for the love our kids plates. Notwithstanding section 8.33,
170 14 moneys transferred under this subsection shall not revert to
170 15 the general fund of the state.

170 16 Sec. 168. Section 321.34, subsection 11B, paragraph c,
170 17 Code 2003, is amended to read as follows:

170 18 c. The special fee for letter number designated motorcycle
170 19 rider education plates is thirty-five dollars. The fee for
170 20 personalized motorcycle rider education plates is twenty-five
170 21 dollars, which shall be paid in addition to the special
170 22 motorcycle rider education fee of thirty-five dollars. The
170 23 fees collected by the director under this subsection shall be
170 24 paid monthly to the treasurer of state and credited to the
170 25 road use tax fund. Notwithstanding section ~~423.24~~ 423.43, and
170 26 prior to the crediting of revenues to the road use tax fund
170 27 under section ~~423.24~~ 423.43, subsection 1, paragraph "b", the
170 28 treasurer of state shall transfer monthly from those revenues
170 29 to the department for use in accordance with section 321.180B,
170 30 subsection 6, the amount of the special fees collected in the
170 31 previous month for the motorcycle rider education plates.

170 32 Sec. 169. Section 321.34, subsection 13, paragraph d, Code
170 33 2003, is amended to read as follows:

170 34 d. A state agency may submit a request to the department
170 35 recommending a special registration plate. The alternate fee
171 1 for letter number designated plates is thirty-five dollars
171 2 with a ten dollar annual special renewal fee. The fee for
171 3 personalized plates is twenty-five dollars which is in
171 4 addition to the alternative fee of thirty-five dollars with an
171 5 annual personalized plate renewal fee of five dollars which is
171 6 in addition to the special renewal fee of ten dollars. The
171 7 alternate fees are in addition to the regular annual
171 8 registration fee. The alternate fees collected under this
171 9 paragraph shall be paid monthly to the treasurer of state and
171 10 credited to the road use tax fund. Notwithstanding section
171 11 ~~423.24~~ 423.43, and prior to the crediting of the revenues to
171 12 the road use tax fund under section ~~423.24~~ 423.43, subsection
171 13 1, paragraph "b", the treasurer of state shall credit monthly
171 14 the amount of the alternate fees collected in the previous
171 15 month to the state agency that recommended the special
171 16 registration plate.

171 17 Sec. 170. Section 321.34, subsection 21, paragraph c, Code
171 18 2003, is amended to read as follows:

171 19 c. The special fees collected by the director under this
171 20 subsection shall be paid monthly to the treasurer of state and
171 21 credited to the road use tax fund. Notwithstanding section
171 22 ~~423.24~~ 423.43, and prior to the crediting of revenues to the
171 23 road use tax fund under section ~~423.24~~ 423.43, subsection 1,
171 24 paragraph "b", the treasurer of state shall credit monthly to
171 25 the Iowa heritage fund created under section 303.9A the amount
171 26 of the special fees collected in the previous month for the
171 27 Iowa heritage plates.

171 28 Sec. 171. Section 321.34, subsection 22, paragraph b, Code
171 29 2003, is amended to read as follows:

171 30 b. The special school transportation fee for letter number
171 31 designated education plates is thirty-five dollars. The fee
171 32 for personalized education plates is twenty-five dollars,
171 33 which shall be paid in addition to the special school
171 34 transportation fee of thirty-five dollars. The annual special
171 35 school transportation fee is ten dollars for letter number
172 1 designated registration plates and is fifteen dollars for
172 2 personalized registration plates which shall be paid in
172 3 addition to the regular annual registration fee. The fees

172 4 collected by the director under this subsection shall be paid
172 5 monthly to the treasurer of state and credited to the road use
172 6 tax fund. Notwithstanding section ~~423.24~~ 423.43, and prior to
172 7 the crediting of revenues to the road use tax fund under
172 8 section ~~423.24~~ 423.43, subsection 1, paragraph "b", the
172 9 treasurer of state shall transfer monthly from those revenues
172 10 to the school budget review committee in accordance with
172 11 section 257.31, subsection 17, the amount of the special
172 12 school transportation fees collected in the previous month for
172 13 the education plates.

172 14 Sec. 172. Section 321F.9, Code 2003, is amended to read as
172 15 follows:

172 16 321F.9 OPTION TO PURCHASE == DEALER'S LICENSE.

172 17 Any person engaged in business in this state shall not
172 18 enter into any agreement for the use of a motor vehicle under
172 19 the terms of which ~~such~~ that person grants to another an
172 20 option to purchase ~~such~~ the motor vehicle without first having
172 21 obtained a motor vehicle dealer's license under the provisions
172 22 of chapter 322, and all sales of motor vehicles under such
172 23 options shall be subject to sales or use taxes imposed under
172 24 the provisions of ~~chapters 422 and~~ chapter 423. Nothing
172 25 contained in this section shall require such person to have a
172 26 place of business as provided by section 322.6, subsection 8.

172 27 Sec. 173. Section 327I.26, Code 2003, is amended to read
172 28 as follows:

172 29 327I.26 APPROPRIATION TO AUTHORITY.

172 30 Notwithstanding section ~~423.24~~ 423.43, and prior to the
172 31 application of section ~~423.24~~ 423.43, subsection 1, paragraph
172 32 "b", there shall be deposited into the general fund of the
172 33 state and is appropriated to the authority from eighty percent
172 34 of the revenues derived from the operation of section ~~423.7~~
172 35 423.26, the amounts certified by the authority under section

173 1 327I.25. However, the total amount deposited into the general
173 2 fund and appropriated to the Iowa railway finance authority
173 3 under this section shall not exceed two million dollars
173 4 annually. Moneys appropriated to the Iowa railway finance
173 5 authority under this section are appropriated only for the
173 6 payment of principal and interest on obligations or the
173 7 payment of leases guaranteed by the authority as provided
173 8 under section 327I.25.

173 9 Sec. 174. Section 328.26, unnumbered paragraph 2, Code
173 10 2003, is amended to read as follows:

173 11 When an aircraft is registered to a person for the first
173 12 time the fee submitted to the department shall include the tax
173 13 imposed by section ~~422.43~~ 423.2 or section ~~423.2~~ 423.5 or
173 14 evidence of the exemption of the aircraft from the tax imposed
173 15 under section ~~422.43~~ 423.2 or ~~423.2~~ 423.5.

173 16 Sec. 175. Section 331.557, subsection 3, Code 2003, is
173 17 amended to read as follows:

173 18 3. Collect the use tax on vehicles subject to registration
173 19 as provided in sections ~~423.6, 423.7, and 423.7A~~ 423.14,
173 20 423.26, and 423.27.

173 21 Sec. 176. Section 357A.15, unnumbered paragraph 2, Code
173 22 2003, is amended to read as follows:

173 23 A rural water district organized under chapter 504A shall
173 24 receive a refund of sales or use taxes upon submitting an
173 25 application to the department of revenue and finance for ~~such~~
173 26 the refund of taxes imposed upon the ~~gross receipts~~ sales
173 27 price of all sales of building materials, supplies, or
173 28 equipment sold to a contractor or used in the fulfillment of a
173 29 written contract for the construction of facilities for ~~such~~
173 30 the rural water district to the same extent as a rural water
173 31 district organized under this chapter may obtain a refund
173 32 under section ~~422.45~~ 423.4, subsection 7 1.

173 33 Sec. 177. Section 421.10, Code 2003, is amended to read as
173 34 follows:

173 35 421.10 APPEAL PERIOD == APPLICABILITY.

174 1 The appeal period for revision of assessment of tax,
174 2 interest, and penalties set out under section 422.28, ~~422.54~~
174 3 423.37, 437A.9, 437A.22, 452A.64, 453A.29, or 453A.46 applies
174 4 to appeals to notices from the department denying changes in
174 5 filing methods, denying refund claims, and denying portions of
174 6 refund claims for the tax covered by that section, and notices
174 7 of any department action directed to a specific taxpayer,
174 8 other than licensing, which involves a calculation.

174 9 Sec. 178. Section 421.17, subsection 22B, Code 2003, is
174 10 amended to read as follows:

174 11 22B. ~~Enter To enter~~ into agreements or compacts with
174 12 remote sellers, retailers, or third-party providers for the
174 13 voluntary collection of Iowa sales or use taxes attributable
174 14 to sales into Iowa ~~and to enter~~. The director has the

~~174 15 authority to enter into and perform all duties required of the~~
~~174 16 office of director by~~ multistate agreements or compacts that
~~174 17 provide for the voluntary collection of sales and use taxes,~~
~~174 18 including joint audits with other states or audits on behalf~~
~~174 19 of other states.~~ The agreements or compacts shall generally
174 20 conform to the provisions of Iowa sales and use tax statutes.
174 21 All fees for services, reimbursements, remuneration,
174 22 incentives, and costs incurred by the department associated
174 23 with these agreements or compacts may be paid or reimbursed
174 24 from the additional revenue generated. An amount is
174 25 appropriated from amounts generated to pay or reimburse all
174 26 costs associated with this subsection. Persons entering into
174 27 an agreement or compact with the department pursuant to this
174 28 subsection are subject to the requirements and penalties of
174 29 the confidentiality laws of this state regarding tax
174 30 information. Notwithstanding any other provisions of law, the
174 31 contract, agreement, or compact shall provide for the
174 32 registration, collection, report, and verification of amounts
174 33 subject to this subsection.

174 34 Sec. 179. Section 421.17, subsection 29, paragraph j, Code
174 35 2003, is amended to read as follows:

175 1 j. The department's existing right to credit against tax
175 2 due or to become due under section 422.73 ~~or 423.47~~ is not to
175 3 be impaired by a right granted to or a duty imposed upon the
175 4 department or other state agency by this subsection. This
175 5 subsection is not intended to impose upon the department any
175 6 additional requirement of notice, hearing, or appeal
175 7 concerning the right to credit against tax due under section
175 8 422.73 ~~or 423.47~~.

175 9 Sec. 180. Section 421.17, subsection 34, paragraph i, Code
175 10 2003, is amended to read as follows:

175 11 i. The director may distribute to credit reporting
175 12 entities and for publication the names, addresses, and amounts
175 13 of indebtedness owed to or being collected by the state if the
175 14 indebtedness is subject to the centralized debt collection
175 15 procedure established in this subsection. The director shall
175 16 adopt rules to administer this paragraph, and the rules shall
175 17 provide guidelines by which the director shall determine which
175 18 names, addresses, and amounts of indebtedness may be
175 19 distributed for publication. The director may distribute
175 20 information for publication pursuant to this paragraph,
175 21 notwithstanding sections 422.20, 422.72, and ~~423.23~~ 423.42, or
175 22 any other provision of state law to the contrary pertaining to
175 23 confidentiality of information.

175 24 Sec. 181. Section 421.26, Code 2003, is amended to read as
175 25 follows:

175 26 421.26 PERSONAL LIABILITY FOR TAX DUE.
175 27 If a licensee or other person under section 452A.65, a
175 28 retailer or purchaser under chapter 422A or 422B, or section
175 29 ~~422.52 423.31 or 423.33~~, or a retailer or purchaser under
175 30 section ~~423.13~~ 423.32 or a user under section ~~423.14~~ 423.34
175 31 fails to pay a tax under those sections when due, an officer
175 32 of a corporation or association, notwithstanding sections
175 33 490A.601 and 490A.602, a member or manager of a limited
175 34 liability company, or a partner of a partnership, having
175 35 control or supervision of or the authority for remitting the
176 1 tax payments and having a substantial legal or equitable
176 2 interest in the ownership of the corporation, association,
176 3 limited liability company, or partnership, who has
176 4 intentionally failed to pay the tax is personally liable for
176 5 the payment of the tax, interest, and penalty due and unpaid.
176 6 However, this section shall not apply to taxes on accounts
176 7 receivable. The dissolution of a corporation, association,
176 8 limited liability company, or partnership shall not discharge
176 9 a person's liability for failure to remit the tax due.

176 10 Sec. 182. Section 421.28, Code 2003, is amended to read as
176 11 follows:

176 12 421.28 EXCEPTIONS TO SUCCESSOR LIABILITY.
176 13 The immediate successor to a licensee's or retailer's
176 14 business or stock of goods under chapter 422A or 422B, or
176 15 section ~~422.52, 423.13, 423.14, 423.33~~ or 452A.65, is not
176 16 personally liable for the amount of delinquent tax, interest,
176 17 or penalty due and unpaid if the immediate successor shows
176 18 that the purchase of the business or stock of goods was made
176 19 in good faith that no delinquent tax, interest, or penalty was
176 20 due and unpaid. For purposes of this section the immediate
176 21 successor shows good faith by evidence that the department had
176 22 provided the immediate successor with a certified statement
176 23 that no delinquent tax, interest, or penalty is unpaid, or
176 24 that the immediate successor had taken in good faith a
176 25 certified statement from the licensee, retailer, or seller

176 26 that no delinquent tax, interest, or penalty is unpaid. When
176 27 requested to do so by a person with whom the licensee or
176 28 retailer is negotiating the sale of the business or stock of
176 29 goods, the director of revenue and finance shall, upon being
176 30 satisfied that such a situation exists, inform that person as
176 31 to the amount of unpaid delinquent tax, interest, or penalty
176 32 due by the licensee or the retailer. The giving of the
176 33 information under this circumstance is not a violation of
176 34 section 422.20, 422.72, or 452A.63.

176 35 Sec. 183. Section 421B.11, unnumbered paragraph 3, Code
177 1 2003, is amended to read as follows:

177 2 Judicial review of the actions of the director may be
177 3 sought in accordance with the terms of the Iowa administrative
177 4 procedure Act, and section ~~422.55~~ 423.38.

177 5 Sec. 184. Section 422.7, subsection 21, paragraph a,
177 6 subparagraph (1), unnumbered paragraph 1, Code 2003, is
177 7 amended to read as follows:

177 8 Net capital gain from the sale of real property used in a
177 9 business, in which the taxpayer materially participated for
177 10 ten years, as defined in section 469(h) of the Internal
177 11 Revenue Code, and which has been held for a minimum of ten
177 12 years, or from the sale of a business, as defined in section
177 13 ~~422.42~~ 423.1, in which the taxpayer was employed or in which
177 14 the taxpayer materially participated for ten years, as defined
177 15 in section 469(h) of the Internal Revenue Code, and which has
177 16 been held for a minimum of ten years. The sale of a business
177 17 means the sale of all or substantially all of the tangible
177 18 personal property or service of the business.

177 19 Sec. 185. Section 422.73, subsection 1, Code 2003, is
177 20 amended by striking the subsection.

177 21 Sec. 186. Section 422A.1, unnumbered paragraphs 1, 3, 7,
177 22 and 8, Code 2003, are amended to read as follows:

177 23 A city or county may impose by ordinance of the city
177 24 council or by resolution of the board of supervisors a hotel
177 25 and motel tax, at a rate not to exceed seven percent, which
177 26 shall be imposed in increments of one or more full percentage
177 27 points upon the ~~gross receipts~~ sales price from the renting of
177 28 sleeping rooms, apartments, or sleeping quarters in a hotel,
177 29 motel, inn, public lodging house, rooming house, manufactured
177 30 or mobile home which is tangible personal property, or tourist
177 31 court, or in any place where sleeping accommodations are
177 32 furnished to transient guests for rent, whether with or
177 33 without meals; except the ~~gross receipts~~ sales price from the
177 34 renting of sleeping rooms in dormitories and in memorial
177 35 unions at all universities and colleges located in the state
178 1 of Iowa and the guests of a religious institution if the
178 2 property is exempt under section 427.1, subsection 8, and the
178 3 purpose of renting is to provide a place for a religious
178 4 retreat or function and not a place for transient guests
178 5 generally. The tax when imposed by a city shall apply only
178 6 within the corporate boundaries of that city and when imposed
178 7 by a county shall apply only outside incorporated areas within
178 8 that county. "Renting" and "rent" include any kind of direct
178 9 or indirect charge for such sleeping rooms, apartments, or
178 10 sleeping quarters, or their use. However, the tax does not
178 11 apply to the ~~gross receipts~~ sales price from the renting of a
178 12 sleeping room, apartment, or sleeping quarters while rented by
178 13 the same person for a period of more than thirty-one
178 14 consecutive days.

178 15 A local hotel and motel tax shall be imposed on January 1,
178 16 April 1, July 1, or October 1, following the notification of
178 17 the director of revenue and finance. Once imposed, the tax
178 18 shall remain in effect at the rate imposed for a minimum of
178 19 one year. A local hotel and motel tax shall terminate only on
178 20 March 31, June 30, September 30, or December 31. At least
178 21 ~~forty-five~~ sixty days prior to the tax being effective or
178 22 prior to a revision in the tax rate, or prior to the repeal of
178 23 the tax, a city or county shall provide notice by mail of such
178 24 action to the director of revenue and finance.

178 25 No tax permit other than the state sales tax permit
178 26 required under section ~~422.53~~ 423.36 may be required by local
178 27 authorities.

178 28 The tax levied shall be in addition to any state sales tax
178 29 imposed under section ~~422.43~~ 423.2. Section 422.25,
178 30 subsection 4, sections 422.30, ~~422.48 to 422.52, 422.54 to~~
178 31 ~~422.58, 422.67, and 422.68, section 422.69, subsection 1, and~~
178 32 sections 422.70 to 422.75, section 423.14, subsection 1, and
178 33 sections 423.23, 423.24, 423.25, 423.31, 423.33, 423.35,
178 34 423.37 to 423.42, and 423.47, consistent with the provisions
178 35 of this chapter, apply with respect to the taxes authorized
179 1 under this chapter, in the same manner and with the same

179 2 effect as if the hotel and motel taxes were retail sales taxes
179 3 within the meaning of those statutes. Notwithstanding this
179 4 paragraph, the director shall provide for quarterly filing of
179 5 returns ~~as prescribed in section 422.51~~ and for other than
179 6 quarterly filing of returns ~~both as prescribed in section~~
179 7 ~~422.51, subsection 2 423.31.~~ The director may require all
179 8 persons, as defined in section ~~422.42 423.1~~, who are engaged
179 9 in the business of deriving ~~gross receipts any sales price~~
179 10 subject to tax under this chapter, to register with the
179 11 department.

179 12 Sec. 187. Section 422B.8, Code 2003, is amended to read as
179 13 follows:

179 14 422B.8 LOCAL SALES AND SERVICES TAX.

179 15 A local sales and services tax at the rate of not more than
179 16 one percent may be imposed by a county on the ~~gross receipts~~
179 17 ~~sales price~~ taxed by the state under chapter ~~422 423, division~~
179 18 ~~IV subchapter II.~~ A local sales and services tax shall be
179 19 imposed on the same basis as the state sales and services tax
179 20 or in the case of the use of natural gas, natural gas service,
179 21 electricity, or electric service on the same basis as the
179 22 state use tax and shall not be imposed on the sale of any
179 23 property or on any service not taxed by the state, except the
179 24 tax shall not be imposed on the ~~gross receipts sales price~~
179 25 from the sale of motor fuel or special fuel as defined in
179 26 chapter 452A which is consumed for highway use or in
179 27 watercraft or aircraft if the fuel tax is paid on the
179 28 transaction and a refund has not or will not be allowed, on
179 29 the ~~gross receipts sales price~~ from the rental of rooms,
179 30 apartments, or sleeping quarters which are taxed under chapter
179 31 422A during the period the hotel and motel tax is imposed, on
179 32 the ~~gross receipts sales price~~ from the sale of equipment by
179 33 the state department of transportation, on the ~~gross receipts~~
179 34 ~~sales price~~ from the sale of self-propelled building
179 35 equipment, pile drivers, motorized scaffolding, or attachments
180 1 customarily drawn or attached to self-propelled building
180 2 equipment, pile drivers, and motorized scaffolding, including
180 3 auxiliary attachments which improve the performance, safety,
180 4 operation, or efficiency of the equipment and replacement
180 5 parts and are directly and primarily used by contractors,
180 6 subcontractors, and builders for new construction,
180 7 reconstruction, alterations, expansion, or remodeling of real
180 8 property or structures, and on the ~~gross receipts sales price~~
180 9 from the sale of a lottery ticket or share in a lottery game
180 10 conducted pursuant to chapter 99E and except the tax shall not
180 11 be imposed on the ~~gross receipts sales price~~ from the sale or
180 12 use of natural gas, natural gas service, electricity, or
180 13 electric service in a city or county where the ~~gross receipts~~
180 14 ~~sales price~~ from the sale of natural gas or electric energy
180 15 are subject to a franchise fee or user fee during the period
180 16 the franchise or user fee is imposed. A local sales and
180 17 services tax is applicable to transactions within those
180 18 incorporated and unincorporated areas of the county where it
180 19 is imposed and shall be collected by all persons required to
180 20 collect state ~~gross receipts sales~~ taxes. However, a person
180 21 required to collect state retail sales tax under chapter ~~422~~
180 22 ~~423, division IV subchapter V or VI,~~ is not required to
180 23 collect local sales and services tax on transactions delivered
180 24 within the area where the local sales and services tax is
180 25 imposed unless the person has physical presence in that taxing
180 26 area. All cities contiguous to each other shall be treated as
180 27 part of one incorporated area and the tax would be imposed in
180 28 each of those contiguous cities only if the majority of those
180 29 voting in the total area covered by the contiguous cities
180 30 favor its imposition.

180 31 The amount of the sale, for purposes of determining the
180 32 amount of the local sales and services tax, does not include
180 33 the amount of any state ~~gross receipts taxes sales tax.~~

180 34 A tax permit other than the state ~~sales~~ tax permit required
180 35 under section ~~422.53 or 423.10 423.36~~ shall not be required by
181 1 local authorities.

181 2 If a local sales and services tax is imposed by a county
181 3 pursuant to this chapter, a local excise tax at the same rate
181 4 shall be imposed by the county on the purchase price of
181 5 natural gas, natural gas service, electricity, or electric
181 6 service subject to tax under chapter 423, ~~subchapter III,~~ and
181 7 not exempted from tax by any provision of chapter 423,
181 8 ~~subchapter III.~~ The local excise tax is applicable only to
181 9 the use of natural gas, natural gas service, electricity, or
181 10 electric service within those incorporated and unincorporated
181 11 areas of the county where it is imposed and, except as
181 12 otherwise provided in this chapter, shall be collected and

181 13 administered in the same manner as the local sales and
181 14 services tax. For purposes of this chapter, "local sales and
181 15 services tax" shall also include the local excise tax.
181 16 Sec. 188. Section 422B.9, subsections 1 and 2, Code 2003,
181 17 are amended to read as follows:

181 18 1. a. A local sales and services tax shall be imposed
181 19 either January 1 or July 1 following the notification of the
181 20 director of revenue and finance but not sooner than ninety
181 21 days following the favorable election and not sooner than
181 22 sixty days following notice to sellers, as defined in section

181 23 423.1. However, a jurisdiction which has voted to continue
181 24 imposition of the tax may impose that tax without repeal of
181 25 the prior tax.

181 26 b. A local sales and services tax shall be repealed only
181 27 on June 30 or December 31 but not sooner than ninety days
181 28 following the favorable election if one is held. However, a
181 29 local sales and services tax shall not be repealed before the
181 30 tax has been in effect for one year. At least forty days
181 31 before the imposition or repeal of the tax, a county shall
181 32 provide notice of the action by certified mail to the director
181 33 of revenue and finance.

181 34 c. The imposition of or a rate change for a local sales
181 35 and service tax shall not be applied to purchases from a
182 1 printed catalog wherein a purchaser computes the local tax
182 2 based on rates published in the catalog unless a minimum of
182 3 one hundred twenty days' notice of the imposition or rate
182 4 change has been given to the seller from the catalog and the
182 5 first day of a calendar quarter has occurred on or after the
182 6 one hundred twentieth day.

182 7 ~~c. d.~~ If a local sales and services tax has been imposed
182 8 prior to April 1, 2000, and at the time of the election a date
182 9 for repeal was specified on the ballot, the local sales and
182 10 services tax may be repealed on that date, notwithstanding
182 11 paragraph "b".

182 12 2. a. The director of revenue and finance shall
182 13 administer a local sales and services tax as nearly as
182 14 possible in conjunction with the administration of state ~~gross~~
182 15 ~~receipts sales~~ tax laws. The director shall provide
182 16 appropriate forms or provide on the regular state tax forms
182 17 for reporting local sales and services tax liability.

182 18 b. The ordinance of a county board of supervisors imposing
182 19 a local sales and services tax shall adopt by reference the
182 20 applicable provisions of the appropriate sections of ~~chapter~~
182 21 ~~422, division IV, and~~ chapter 423. All powers and
182 22 requirements of the director to administer the state ~~gross~~
182 23 ~~receipts sales~~ tax law and use tax law are applicable to the
182 24 administration of a local sales and services tax law and the
182 25 local excise tax, including but not limited to, the provisions
182 26 of section 422.25, subsection 4, sections 422.30, ~~422.48 to~~
182 27 ~~422.52, 422.54 to 422.58, 422.67, and 422.68, section 422.69,~~
182 28 ~~subsection 1, sections 422.70 to 422.75, 423.6, subsections 2~~
182 29 ~~to 4, and sections 423.11 to 423.18, and 423.21 section~~
182 30 ~~423.14, subsection 1 and subsection 2, paragraphs "b" through~~
182 31 ~~"e", and sections 423.15, 423.23, 423.24, 423.25, 423.31 to~~
182 32 ~~423.35, 423.37 to 423.42, 423.46, and 423.47.~~ Local officials

182 33 shall confer with the director of revenue and finance for
182 34 assistance in drafting the ordinance imposing a local sales
182 35 and services tax. A certified copy of the ordinance shall be

183 1 filed with the director as soon as possible after passage.
183 2 c. Frequency of deposits and quarterly reports of a local
183 3 sales and services tax with the department of revenue and
183 4 finance are governed by the tax provisions in section ~~422.52~~
183 5 ~~423.31~~. Local tax collections shall not be included in
183 6 computation of the total tax to determine frequency of filing
183 7 under section ~~422.52~~ 423.31.

183 8 d. The director shall apply a boundary change of a county
183 9 or city imposing or collecting the local sales and service tax
183 10 to the imposition or collection of that tax only on the first
183 11 day of a calendar quarter which occurs sixty days or more
183 12 after the director has given notice of the boundary change to
183 13 sellers.

183 14 Sec. 189. Section 422C.2, subsections 4 and 6, Code 2003,
183 15 are amended to read as follows:

183 16 4. "Person" means person as defined in section ~~422.42~~
183 17 ~~423.1~~.

183 18 6. "Rental price" means the consideration for renting an
183 19 automobile valued in money, and means the same as ~~"gross~~
183 20 ~~taxable services"~~ "sales price" as defined in section ~~422.42~~
183 21 ~~423.1~~.

183 22 Sec. 190. Section 422C.3, Code 2003, is amended to read as
183 23 follows:

183 24 422C.3 TAX ON RENTAL OF AUTOMOBILES.
183 25 1. A tax of five percent is imposed upon the rental price
183 26 of an automobile if the rental transaction is subject to the
183 27 sales and services tax under chapter ~~422 423~~, ~~division IV~~
183 28 ~~subchapter II~~, or the use tax under chapter 423, ~~subchapter~~
183 29 ~~III~~. The tax shall not be imposed on any rental transaction
183 30 not taxable under the state sales and services tax, as
183 31 provided in section ~~422.45 423.3~~, or the state use tax, as
183 32 provided in section ~~423.4 423.6~~, on automobile rental
183 33 receipts.
183 34 2. The lessor shall collect the tax by adding the tax to
183 35 the rental price of the automobile.
184 1 3. The tax, when collected, shall be stated as a distinct
184 2 item separate and apart from the rental price of the
184 3 automobile and the sales and services tax imposed under
184 4 chapter ~~422 423~~, ~~division IV~~ ~~subchapter II~~, or the use tax
184 5 imposed under chapter 423, ~~subchapter III~~.
184 6 Sec. 191. Section 422C.4, Code 2003, is amended to read as
184 7 follows:
184 8 422C.4 ADMINISTRATION AND ENFORCEMENT.
184 9 All powers and requirements of the director of revenue and
184 10 finance to administer the state ~~gross receipts sales~~ tax law
184 11 under chapter ~~422~~, ~~division IV~~, ~~423~~ are applicable to the
184 12 administration of the tax imposed under section 422C.3,
184 13 including but not limited to section 422.25, subsection 4,
184 14 sections 422.30, ~~422.48 through 422.52, 422.54 through 422.58,~~
184 15 ~~422.67, and 422.68, section 422.69, subsection 1, and sections~~
184 16 ~~422.70 through 422.75, section 423.14, subsection 1, and~~
184 17 ~~sections 423.15, 423.23, 423.24, 423.25, 423.31, 423.33,~~
184 18 ~~423.35 and 423.37 through 423.42, 423.45, 423.46, and 423.47.~~
184 19 However, as an exception to the powers specified in section
184 20 ~~422.52, subsection 1 423.31~~, the director shall only require
184 21 the filing of quarterly reports.
184 22 Sec. 192. Section 422E.1, subsection 1, is amended to read
184 23 as follows:
184 24 1. A local sales and services tax for school
184 25 infrastructure purposes may be imposed by a county on behalf
184 26 of school districts as provided in this chapter.
184 27 If a local sales and services tax for school infrastructure
184 28 is imposed by a county pursuant to this chapter, a local
184 29 excise tax for school infrastructure at the same rate shall be
184 30 imposed by the county on the purchase price of natural gas,
184 31 natural gas service, electricity, or electric service subject
184 32 to tax under chapter 423, ~~subchapter III~~, and not exempted
184 33 from tax by any provision of chapter 423, ~~subchapter III~~. The
184 34 local excise tax for school infrastructure is applicable only
184 35 to the use of natural gas, natural gas service, electricity,
185 1 or electric service within those incorporated and
185 2 unincorporated areas of the county where it is imposed and,
185 3 except as otherwise provided in this chapter, shall be
185 4 collected and administered in the same manner as the local
185 5 sales and services tax for school infrastructure. For
185 6 purposes of this chapter, "local sales and services tax for
185 7 school infrastructure" shall also include the local excise tax
185 8 for school infrastructure.
185 9 Sec. 193. Section 422E.3, subsections 1, 2, and 3, Code
185 10 2003, are amended to read as follows:
185 11 1. If a majority of those voting on the question of
185 12 imposition of a local sales and services tax for school
185 13 infrastructure purposes favors imposition of the tax, the tax
185 14 shall be imposed by the county board of supervisors within the
185 15 county pursuant to section 422E.2, at the rate specified for a
185 16 ten-year duration on the ~~gross receipts sales price~~ taxed by
185 17 the state under chapter ~~422 423~~, ~~division IV~~ ~~subchapter II~~.
185 18 2. The tax shall be imposed on the same basis as the state
185 19 sales and services tax or in the case of the use of natural
185 20 gas, natural gas service, electricity, or electric service on
185 21 the same basis as the state use tax and shall not be imposed
185 22 on the sale of any property or on any service not taxed by the
185 23 state, except the tax shall not be imposed on the ~~gross~~
185 24 ~~receipts sales price~~ from the sale of motor fuel or special
185 25 fuel as defined in chapter 452A which is consumed for highway
185 26 use or in watercraft or aircraft if the fuel tax is paid on
185 27 the transaction and a refund has not or will not be allowed,
185 28 on the ~~gross receipts sales price~~ from the rental of rooms,
185 29 apartments, or sleeping quarters which are taxed under chapter
185 30 422A during the period the hotel and motel tax is imposed, on
185 31 the ~~gross receipts sales price~~ from the sale of equipment by
185 32 the state department of transportation, on the ~~gross receipts~~
185 33 ~~sales price~~ from the sale of self-propelled building
185 34 equipment, pile drivers, motorized scaffolding, or attachments

185 35 customarily drawn or attached to self-propelled building
186 1 equipment, pile drivers, and motorized scaffolding, including
186 2 auxiliary attachments which improve the performance, safety,
186 3 operation, or efficiency of the equipment, and replacement
186 4 parts and are directly and primarily used by contractors,
186 5 subcontractors, and builders for new construction,
186 6 reconstruction, alterations, expansion, or remodeling of real
186 7 property or structures, and on the ~~gross receipts sales price~~
186 8 from the sale of a lottery ticket or share in a lottery game
186 9 conducted pursuant to chapter 99E and except the tax shall not
186 10 be imposed on the ~~gross receipts sales price~~ from the sale or
186 11 use of natural gas, natural gas service, electricity, or
186 12 electric service in a city or county where the ~~gross receipts~~
186 13 ~~sales price~~ from the sale of natural gas or electric energy
186 14 are subject to a franchise fee or user fee during the period
186 15 the franchise or user fee is imposed.

186 16 3. The tax is applicable to transactions within the county
186 17 where it is imposed and shall be collected by all persons
186 18 required to collect state ~~gross receipts sales~~ or local excise
186 19 taxes. However, a person required to collect state ~~retail~~
186 20 sales tax under chapter ~~422, division IV, 423~~ is not required
186 21 to collect local sales and services tax on transactions
186 22 delivered within the area where the local sales and services
186 23 tax is imposed unless the person has physical presence in that
186 24 taxing area. The amount of the sale, for purposes of
186 25 determining the amount of the tax, does not include the amount
186 26 of any state ~~gross receipts sales taxes~~ or excise taxes or
186 27 other local option sales or excise taxes. A tax permit other
186 28 than the state tax permit required under section ~~422.53 or~~
186 29 ~~423.10 423.36~~ shall not be required by local authorities.

186 30 Sec. 194. Section 425.30, Code 2003, is amended to read as
186 31 follows:

186 32 425.30 NOTICES.

186 33 Section ~~422.57 423.39~~, subsection 1, shall apply to all
186 34 notices under this division.

186 35 Sec. 195. Section 425.31, Code 2003, is amended to read as
187 1 follows:

187 2 425.31 APPEALS.

187 3 Any person aggrieved by an act or decision of the director
187 4 of revenue and finance or the department of revenue and
187 5 finance under this division shall have the same rights of
187 6 appeal and review as provided in sections 421.1 and ~~422.55~~
187 7 ~~423.38~~ and the rules of the department of revenue and finance.

187 8 Sec. 196. Section 452A.66, unnumbered paragraph 1, Code
187 9 2003, is amended to read as follows:

187 10 The appropriate state agency shall administer the taxes
187 11 imposed by this chapter in the same manner as and subject to
187 12 section 422.25, subsection 4 and section ~~422.52, subsection 3~~
187 13 ~~423.35~~.

187 14 Sec. 197. Section 455B.455, Code 2003, is amended to read
187 15 as follows:

187 16 455B.455 SURCHARGE IMPOSED.

187 17 A land burial surcharge tax of two percent is imposed on
187 18 the fee for land burial of a hazardous waste. The owner of
187 19 the land burial facility shall remit the tax collected to the
187 20 director of revenue and finance after consultation with the
187 21 director according to rules that the director shall adopt.
187 22 The director shall forward a copy of the site license to the
187 23 director of revenue and finance which shall be the appropriate
187 24 license for the collection of the land burial surcharge tax
187 25 and shall be subject to suspension or revocation if the site
187 26 license holder fails to collect or remit the tax collected
187 27 under this section. The provisions of ~~sections section~~
187 28 422.25, subsection 4, ~~sections~~ 422.30, ~~422.48 to 422.52,~~
187 29 ~~422.54 to 422.58,~~ 422.67, and 422.68, ~~section~~ 422.69,
187 30 subsection 1, and ~~sections~~ 422.70 to 422.75, ~~section~~ 423.14,
187 31 ~~subsection 1, and sections~~ 423.23, 423.24, 423.25, 423.31,

187 32 423.33, 423.35, 423.37 to 423.42, and 423.47, consistent with
187 33 the provisions of this part 6 of division IV, shall apply with
187 34 respect to the taxes authorized under this part, in the same
187 35 manner and with the same effect as if the land burial
188 1 surcharge tax were ~~retail~~ sales taxes within the meaning of
188 2 those statutes. Notwithstanding the provisions of this
188 3 ~~paragraph section~~, the director shall provide for only
188 4 quarterly filing of returns as prescribed in section ~~422.51~~
188 5 ~~423.31~~. Taxes collected by the director of revenue and
188 6 finance under this section shall be deposited in the general
188 7 fund of the state.

188 8 Sec. 198. Section 455G.3, subsection 1, Code 2003, is
188 9 amended to read as follows:

188 10 1. The Iowa comprehensive petroleum underground storage

188 11 tank fund is created as a separate fund in the state treasury,
188 12 and any funds remaining in the fund at the end of each fiscal
188 13 year shall not revert to the general fund but shall remain in
188 14 the Iowa comprehensive petroleum underground storage tank
188 15 fund. Interest or other income earned by the fund shall be
188 16 deposited in the fund. The fund shall include moneys credited
188 17 to the fund under this section, section ~~423.24~~ 423.43,
188 18 subsection 1, paragraph "a", and sections 455G.8, 455G.9, and
188 19 455G.11, and other funds which by law may be credited to the
188 20 fund. The moneys in the fund are appropriated to and for the
188 21 purposes of the board as provided in this chapter. Amounts in
188 22 the fund shall not be subject to appropriation for any other
188 23 purpose by the general assembly, but shall be used only for
188 24 the purposes set forth in this chapter. The treasurer of
188 25 state shall act as custodian of the fund and disburse amounts
188 26 contained in it as directed by the board including automatic
188 27 disbursements of funds as received pursuant to the terms of
188 28 bond indentures and documents and security provisions to
188 29 trustees and custodians. The treasurer of state is authorized
188 30 to invest the funds deposited in the fund at the direction of
188 31 the board and subject to any limitations contained in any
188 32 applicable bond proceedings. The income from such investment
188 33 shall be credited to and deposited in the fund. The fund
188 34 shall be administered by the board which shall make
188 35 expenditures from the fund consistent with the purposes of the
189 1 programs set out in this chapter without further
189 2 appropriation. The fund may be divided into different
189 3 accounts with different depositories as determined by the
189 4 board and to fulfill the purposes of this chapter.

189 5 Sec. 199. Section 455G.6, subsection 4, Code 2003, is
189 6 amended to read as follows:

189 7 4. Grant a mortgage, lien, pledge, assignment, or other
189 8 encumbrance on one or more improvements, revenues, asset of
189 9 right, accounts, or funds established or received in
189 10 connection with the fund, including revenues derived from the
189 11 use tax under section ~~423.24~~ 423.43, subsection 1, paragraph
189 12 "a", and deposited in the fund or an account of the fund.

189 13 Sec. 200. Section 455G.8, subsection 2, Code 2003, is
189 14 amended to read as follows:

189 15 2. USE TAX. The revenues derived from the use tax imposed
189 16 under chapter 423, subchapter III. The proceeds of the use
189 17 tax under section ~~423.24~~ 423.43, subsection 1, paragraph "a",
189 18 shall be allocated, consistent with this chapter, among the
189 19 fund's accounts, for debt service and other fund expenses,
189 20 according to the fund budget, resolution, trust agreement, or
189 21 other instrument prepared or entered into by the board or
189 22 authority under direction of the board.

189 23 Sec. 201. Section 455G.9, subsection 2, Code 2003, is
189 24 amended to read as follows:

189 25 2. REMEDIAL ACCOUNT FUNDING. The remedial account shall
189 26 be funded by that portion of the proceeds of the use tax
189 27 imposed under chapter 423, subchapter III, and other moneys
189 28 and revenues budgeted to the remedial account by the board.

189 29 Sec. 202. Section 2.67, Code 2003, is repealed.

189 30 Sec. 203. CODE EDITOR DIRECTIVE. The Code editor is
189 31 directed to transfer Code chapter 423A to Code chapter 421A
189 32 and to transfer Code chapters 422A, 422B, 422C, and 422E to
189 33 Code chapters 423A, 423B, 423C, and 423E, respectively. The
189 34 Code editor is directed to correct Code references as required
189 35 due to the changes made in this Act.

190 1 SALES TAX ADVISORY COUNCIL

190 2 Sec. 204. IOWA STREAMLINED SALES TAX ADVISORY COUNCIL.

190 3 1. An Iowa streamlined sales tax advisory council is
190 4 created. The advisory council shall review, study, and submit
190 5 recommendations to the Iowa streamlined sales and use tax
190 6 delegation regarding the proposed streamlined sales and use
190 7 tax agreement formalized by the project's implementing sales
190 8 on November 12, 2002, the proposed language conforming Iowa's
190 9 sales and use tax to the national agreement, and the following
190 10 issues:

190 11 a. Uniform definitions proposed in the current streamlined
190 12 sales and use tax agreement and future proposals.

190 13 b. Effects upon taxability of items newly defined in Iowa.

190 14 c. Impacts upon business as a result of the streamlined
190 15 sales and use tax.

190 16 d. Technology implementation issues.

190 17 e. Any other issues that are brought before the
190 18 streamlined sales and use tax implementing state or the
190 19 streamlined sales and use tax governing board.

190 20 2. The department shall provide administrative support to
190 21 the Iowa streamlined sales tax advisory council. The advisory

190 22 council shall be representative of Iowa's business community
190 23 and economy when reviewing and recommending solutions to
190 24 streamlined sales and use tax issues. The advisory council
190 25 shall provide the general assembly and the governor with final
190 26 recommendations made to the Iowa streamlined sales and use tax
190 27 delegation upon the conclusion of each calendar year.

190 28 3. The director of revenue, in consultation with the Iowa
190 29 taxpayers association and the Iowa association of business and
190 30 industry, shall appoint members to the Iowa streamlined sales
190 31 tax advisory council, which shall consist of the following
190 32 members:

190 33 a. One member from the department of revenue and finance.

190 34 b. Three members representing small Iowa businesses, at
190 35 least one of whom must be a retailer, and at least one of whom
191 1 shall be a supplier.

191 2 c. Three members representing medium Iowa businesses, at
191 3 least one of whom shall be a retailer, and at least one of
191 4 whom shall be a supplier.

191 5 d. Three members representing large Iowa businesses, at
191 6 least one of whom shall be a retailer, and at least one of
191 7 whom shall be a supplier.

191 8 e. One member representing taxpayers as a whole.

191 9 f. One member representing the retail community as a
191 10 whole.

191 11 g. Any other member the director of revenue and finance
191 12 deems appropriate.

191 13 Sec. 205. EFFECTIVE DATE. Except for the section creating
191 14 the Iowa streamlined sales tax advisory council, this division
191 15 of this Act takes effect July 1, 2004.

191 16 DIVISION XV

191 17 CAPITOL COMPLEX PARKING STRUCTURE

191 18 Sec. 206. NEW SECTION. 18A.8 CAPITOL COMPLEX PARKING
191 19 STRUCTURE REVOLVING FUND.

191 20 A capitol complex parking structure revolving fund is
191 21 created in the state treasury. The capitol complex parking
191 22 structure revolving fund shall be administered by the
191 23 department of administrative services and shall consist of
191 24 moneys collected by the department as parking fees, moneys
191 25 appropriated to the fund by the general assembly, and any
191 26 other moneys obtained or accepted by the department for
191 27 deposit in the revolving fund. The proceeds of the revolving
191 28 fund are appropriated to and shall be used by the department
191 29 for costs associated with the management, operation, and
191 30 maintenance of the capitol complex parking structure located
191 31 at the intersection of Pennsylvania and Grand avenues in Des
191 32 Moines. The department shall submit an annual report not
191 33 later than January 31 to the members of the general assembly
191 34 and the legislative services agency, of the activities funded
191 35 by and expenditures made from the revolving fund during the
192 1 preceding fiscal year. Section 8.33 does not apply to any
192 2 moneys in the revolving fund and, notwithstanding section
192 3 12C.7, subsection 2, earnings or interest on moneys deposited
192 4 in the revolving fund shall be credited to the revolving fund.

192 5 Sec. 207. CAPITOL COMPLEX PARKING STRUCTURE MANAGEMENT ==
192 6 REQUEST FOR PROPOSALS. The department of administrative
192 7 services shall issue a request for proposals for the
192 8 management, operation, and maintenance of the state-owned
192 9 parking structure located at the intersection of Pennsylvania
192 10 and Grand avenues in Des Moines. The request for proposals
192 11 shall include all of the following services:

192 12 1. The collection of parking fees and administration of
192 13 parking permits.

192 14 2. Daily janitorial maintenance and necessary annual
192 15 maintenance, pursuant to standards outlined in the parking
192 16 garage maintenance manual published by the parking consultants
192 17 council of the national parking association.

192 18 3. Long-term structural maintenance.

192 19 Awarding of a contract for the management, operation, and
192 20 maintenance of the parking structure is subject to approval by
192 21 the general assembly.

192 22 Sec. 208. CAPITOL COMPLEX PARKING STRUCTURE == EMPLOYEE
192 23 PARKING FEES. The department of administrative services shall
192 24 establish reasonable parking fees for state employees for the
192 25 use of the state-owned parking structure located at the
192 26 intersection of Pennsylvania and Grand avenues in Des Moines.
192 27 Parking fees shall not be established or collected for use of
192 28 the parking structure by members of the general public. Such
192 29 fees shall be deposited in the capitol complex parking
192 30 structure revolving fund created in section 18A.8, as enacted
192 31 by this Act.

192 32 DIVISION XVI

192 33 EFFECTIVE DATE
192 34 Sec. 209. EFFECTIVE DATE. Unless otherwise provided in
192 35 this Act, this Act takes effect July 1, 2003.

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193 4 _____
193 5 CHRISTOPHER C. RANTS
193 6 Speaker of the House

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193 9 _____
193 10 MARY E. KRAMER
193 11 President of the Senate

193 12 I hereby certify that this bill originated in the House and
193 13 is known as House File 683, Eightieth General Assembly.

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193 17 _____
193 18 MARGARET THOMSON
193 19 Chief Clerk of the House

193 20 Approved _____, 2003

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193 23 _____
193 24 THOMAS J. VILSACK
Governor